CONSOLIDATED FINANCIAL STATEMENTS

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CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2013

04 | 01 CONSOLIDATED INCOME STATEMENT (in EUR thousand)

	Notes	2013	2012[1]
Sales	(1)	**2,432,133**	**2,345,854**
Cost of sales	(2)	(852,583)	(901,798)
Gross profit		**1,579,550**	**1,444,056**
in % of sales		64.9	61.6
Selling and distribution expenses	(3)	(891,588)	(791,892)
Administration expenses	(4)	(228,518)	(215,962)
Other operating income and expenses	(5)	(3,291)	(4,163)
Operating result (EBIT)		**456,153**	**432,039**
Net interest income/expenses		**(14,428)**	**(18,021)**
Other interest and similar income		1,994	2,659
Interest and similar expenses		(16,422)	(20,680)
Other financial items		**(8,259)**	**(5,826)**
Financial result	(6)	**(22,687)**	**(23,847)**
Earnings before taxes		**433,466**	**408,192**
Income taxes	(7)	(100,107)	(97,616)
Net income		**333,359**	**310,576**
Attributable to:			
Equity holders of the parent company		328,965	306,450
Non-controlling interests	(8)	4,394	4,126
Earnings per share (EUR)[2]	(9)	**4.77**	**4.44**
Dividend per share (EUR)	(23)	**3.34[3]**	**3.12**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

[2] Basic and diluted earnings per share.

[3] 2013: Proposed dividend.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2013

04 | 02 CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (in EUR thousand)

	2013	2012[1]
Net income	**333,359**	**310,576**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	651	(5,949)
Items to be reclassified subsequently to profit or loss		
Currency differences	(11,921)	4,058
Net loss/gain from marking hedges to market	4,460	7,860
Other comprehensive income, net of tax	**(6,810)**	**5,969**
Total comprehensive income	**326,549**	**316,545**
Attributable to:		
Equity holders of the parent company	322,582	312,634
Non-controlling interests	3,967	3,911
Total comprehensive income	**326,549**	**316,545**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF THE HUGO BOSS GROUP AS OF DECEMBER 31, 2013

04 | 03 CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in EUR thousand)

Assets	Notes	**2013**	2012[1]	January 1, 2012[1]
Intangible assets	(11)	139,223	142,210	141,098
Property, plant and equipment	(12)	368,582	357,454	285,530
Deferred tax assets	(7)	80,693	68,763	57,507
Non-current financial assets	(14), (29)	17,399	14,660	14,459
Non-current tax receivables		1,695	2,140	2,660
Other non-current assets	(14)	3,953	2,499	1,964
Non-current assets		**611,545**	**587,726**	**503,218**
Inventories	(15)	440,837	421,160	450,187
Trade receivables	(16)	226,204	214,899	174,576
Current tax receivables	(7)	10,781	10,891	8,166
Current financial assets	(14), (29)	23,323	26,541	17,528
Other current assets	(14)	69,402	61,347	65,490
Cash and cash equivalents	(17)	119,242	254,606	200,396
Assets held for sale		0	0	0
Current assets		**889,789**	**989,444**	**916,343**
TOTAL		**1,501,334**	**1,577,170**	**1,419,561**

Equity and liabilities				
Subscribed capital	(18)	70,400	70,400	70,400
Own shares	(19)	(42,363)	(42,363)	(42,363)
Capital reserve	(20)	399	399	399
Retained earnings	(21)	701,514	587,270	485,870
Accumulated other comprehensive income	(22)	(15,760)	(8,726)	(20,858)
Equity attributable to equity holders of the parent company		**714,190**	**606,980**	**493,448**
Non-controlling interests	(8)	26,107	24,587	23,829
Group equity		**740,297**	**631,567**	**517,277**
Non-current provisions	(24), (25)	52,739	54,489	40,598
Non-current financial liabilities	(26), (29)	164,768	63,265	355,042
Deferred tax liabilities	(7)	17,462	19,638	20,858
Other non-current liabilities	(27)	30,967	13,998	15,558
Non-current liabilities		**265,936**	**151,390**	**432,056**
Current provisions	(24)	99,868	89,960	89,759
Current financial liabilities	(26), (29)	14,653	332,177	33,465
Income tax payables	(7)	63,372	51,198	41,868
Trade payables	(28)	235,286	227,575	225,145
Other current liabilities	(27)	81,922	93,303	79,991
Current liabilities		**495,101**	**794,213**	**470,228**
TOTAL		**1,501,334**	**1,577,170**	**1,419,561**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2013

04 | 04 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (in EUR thousand)

	Subscribed capital	Own shares	Capital reserve
Notes	(18)	(19)	(20)
January 1, 2012 (as reported)	**70,400**	**(42,363)**	**399**
Change in accounting policies/corrections			
January 1, 2012 (adjusted)	**70,400**	**(42,363)**	**399**
Net income[1]			
Other income			
Comprehensive income			
Changes in basis of consolidation			
Dividend payment			
December 31, 2012[1]	**70,400**	**(42,363)**	**399**
January 1, 2013 (as reported)	**70,400**	**(42,363)**	**399**
Change in accounting policies/corrections			
January 1, 2013 (adjusted)	**70,400**	**(42,363)**	**399**
Net income			
Other income			
Comprehensive income			
Changes in basis of consolidation			
Dividend payment			
December 31, 2013	**70,400**	**(42,363)**	**399**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

Retained earnings		Accumulated other comprehensive income		Group equity		
Legal reserve	Other reserves	Currency translation	Gains/losses from cash flow hedges	Total before non-controlling interests	Non-controlling interests	Group equity
(21)	(21)	(22)	(22)		(8)	
6,641	**485,191**	**(9,478)**	**(11,381)**	**499,409**	**23,829**	**523,238**
	(5,960)			(5,960)		(5,960)
6,641	**479,231**	**(9,478)**	**(11,381)**	**493,448**	**23,829**	**517,277**
	306,450			306,450	4,126	310,576
	(5,949)	4,273	7,860	6,184	(215)	5,969
	300,502	**4,273**	**7,860**	**312,634**	**3,911**	**316,545**
	(199,103)			(199,103)	(3,153)	(202,256)
6,641	**580,629**	**(5,205)**	**(3,521)**	**606,980**	**24,587**	**631,567**
6,641	**586,961**	**(5,196)**	**(3,521)**	**613,320**	**24,587**	**637,907**
	(6,331)	(9)		(6,339)		(6,339)
6,641	**580,629**	**(5,205)**	**(3,521)**	**606,980**	**24,587**	**631,567**
	328,965			328,965	4,394	333,359
	651	(11,494)	4,460	(6,383)	(427)	(6,810)
	329,616	**(11,494)**	**4,460**	**322,582**	**3,967**	**326,549**
	(43)			(43)		(43)
	(215,330)			(215,330)	(2,448)	(217,779)
6,641	**694,873**	**(16,699)**	**939**	**714,190**	**26,107**	**740,297**

CONSOLIDATED STATEMENT OF CASH FLOWS

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2013

04 | 05 CONSOLIDATED STATEMENT OF CASH FLOWS (in EUR thousand)

	Notes	**2013**	2012[1]
	(34)		
Net income		333,359	310,576
Depreciation/amortization	(10)	105,262	91,936
Unrealized net foreign exchange gain/loss		18,916	5,780
Other non-cash transactions		(3,965)	2,783
Income tax expense/refund	(7)	100,107	97,616
Interest income and expenses	(6)	14,428	18,021
Change in inventories		(36,307)	22,678
Change in receivables and other assets		(30,584)	(44,986)
Change in trade payables and other liabilities		21,988	6,532
Result from disposal of non-current assets		2,741	543
Change in provisions for pensions	(25)	(2,414)	(1,069)
Change in other provisions		5,628	1,752
Income taxes paid		(104,799)	(103,665)
Cash flow from operations		**424,360**	**408,497**
Interest paid	(6)	(10,005)	(18,780)
Interest received	(6)	1,984	2,685
Cash flow from operating activities		**416,339**	**392,402**
Investments in property, plant and equipment	(12)	(160,243)	(147,800)
Investments in intangible assets	(11)	(13,083)	(18,002)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	(34)	(11,659)	(7,212)
Effects from disposal of subsidiaries		(1,698)	0
Cash receipts from sales of property, plant and equipment and intangible assets		366	1,173
Cash flow from investing activities		**(186,317)**	**(171,841)**
Dividends paid to equity holders of the parent company	(23)	(215,330)	(199,103)
Dividends paid to non-controlling interests		(2,448)	(3,153)
Change in current financial liabilities		(254,645)	20,341
Cash receipts from non-current financial liabilities		111,350	16,895
Repayment of non-current financial liabilities		(2,012)	(1,317)
Cash flow from financing activities		**(363,085)**	**(166,337)**
Exchange-rate related changes in cash and cash equivalents		(2,301)	(14)
Change in cash and cash equivalents		**(135,364)**	**54,210**
Cash and cash equivalents at the beginning of the period		254,606	200,396
Cash and cash equivalents at the end of the period	(17)	**119,242**	**254,606**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2013

GENERAL INFORMATION

HUGO BOSS AG is a publicly listed stock corporation with registered offices in Dieselstrasse 12, 72555 Metzingen, Germany. The Company is filed in the commercial register of Stuttgart local court under HRB 360610.

The purpose of HUGO BOSS AG and its subsidiaries (together the "HUGO BOSS Group") is the development, marketing and distribution of high-end men's and women's fashion and accessories in the premium and luxury segment. With its brand world, HUGO BOSS caters for clearly defined target groups. The brands cover a comprehensive product range encompassing classic to modern apparel, elegant evening wear and sportswear, shoes, leather accessories as well as licensed fragrances, eyewear, watches, children's fashion, home textiles and mobile accessories.

The HUGO BOSS AG compiles the consolidated income statement using the cost fo sales method.

The consolidated financial statements and combined management report of HUGO BOSS AG, Metzingen, were authorized for issue to the Supervisory Board by the Managing Board by resolution dated February 19, 2014.

Due to rounding differences and the presentation in EUR thousand, it is possible that individual figures in the consolidated financial statements of HUGO BOSS AG do not exactly add up to the reported totals and that the reported percentage figures do not exactly reflect the reported absolute figures.

To improve the clarity of presentation, various items in the consolidated statement of financial position and consolidated income statement have been summarized. These items are shown separately and explained in the notes to the consolidated financial statements. The presentation in the prior period was adjusted to the presentation used in the reporting period. Adjustments are explained in more detail in the section "Changes in accounting policies/corrections".

As a rule, the Group classifies assets and liabilities as current if they are expected to be recovered or settled within twelve months from the reporting date.

FINANCIAL REPORTING

The consolidated financial statements of HUGO BOSS AG as of December 31, 2013 were prepared in accordance with IFRSs as issued by the International Accounting Standards Board (IASB) and adopted by the European Union (EU), and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code]. All International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) together with the Interpretations of the International Financial Reporting Interpretations Committee (IFRIC) applicable as of the fiscal year 2013 were taken into account.

ADOPTION OF NEW OR AMENDED IFRS

During the year, the Group adopted the following new and revised IFRSs and IFRICs endorsed by the EU. This also includes the amendments published as part of the ongoing Improvements to IFRSs project of the IASB. Unless otherwise stated, adoption of these revised standards and interpretations does not have any material effects on the presentation of the Group's results of operations, net assets and financial position. It did, however, give rise to additional disclosures in some cases.

New and amended IFRSs adopted for the first time in fiscal year 2013:

Standard/ interpretation	Publication by IASB	Expected adoption	EU endorsement	Content
IFRS 7 Financial Instruments	December 2011	January 1, 2013	December 2012	The amendments to IFRS 7 extend the disclosure requirements as regards offsetting financial assets and financial liabilities.
IFRS 13 Fair Value Measurement	May 2011	January 1, 2013	December 2012	IFRS 13 defines fair value and governs its calculation. The guidance on fair value measurement previously contained in individual standards has been replaced by a dedicated standard. In addition, disclosure requirements have been standardized to a large extent. As part of this process, the disclosure requirements for non-financial assets have been extended. Additional changes concern the treatment of counterparty credit risk, which only has an immaterial effect on the measurement of derivatives, however.
IAS 1 Presentation of Financial Statements	June 2011	July 1, 2012	June 2012	Other comprehensive income has to be divided into items that are not reclassified to profit or loss and items that may subsequently be reclassified to profit or loss.
IAS 1 Presentation of Financial Statements	May 2011	January 1, 2013	March 2013	The amendments to IAS 1 from the 2011 annual improvements include amendments to the disclosure requirements on comparative information.
IAS 16 Property, Plant and Equipment	May 2011	January 1, 2013	March 2013	The amendments to IAS 16 from the 2011 annual improvements include amendments to the ability to recognize spare parts, stand-by equipment and servicing equipment.

Standard/ interpretation	Publication by IASB	Expected adoption	EU endorsement	Content
IAS 19 Employee Benefits	June 2011	January 1, 2013	June 2012	The amendments to IAS 19 include the elimination of the corridor method. Actuarial gains and losses are accordingly immediately recognized as other comprehensive income within equity (SORIE method). In addition, guidance is provided on the presentation of changes in the net defined benefit liability (or asset) including the immediate recognition of defined benefit cost. Another amendment concerns the net interest component for the expected return on plan assets and the interest expense on pension obligations. It is also required that past service cost is recognized in full in the period of plan amendment. In addition, the return on plan assets can no longer be estimated in accordance with the expected return, but rather at the amount of the discount rate of the pension obligations. In addition, the revised IAS 19 extends disclosure and explanation requirements. Changes as a result of the application of the revised IAS 19 are described in detail in the section Changes in accounting policies/corrections.
IAS 32 Financial Instruments	May 2011	January 1, 2013	March 2013	Amendments to IAS 32 from the 2011 annual improvements concern the accounting treatment of tax effects of dividends paid to holders of equity instruments on the one hand and the accounting treatment of transactions costs of an equity transaction on the other hand.
IAS 34 Interim Financial Reporting	May 2011	January 1, 2013	March 2013	Amendments to IAS 34 from the 2011 annual improvements concern the segment disclosures for total assets and liabilities in interim reporting.
IAS 36 Impairment of Assets	May 2013	January 1, 2014	December 2013	The amendments concern minor adjustments to the disclosure requirements for impairment losses and reversals of impairment losses if the recoverable amount is based on fair value less costs of disposal.

The IASB has also published additional standards and interpretations. However, these do not have any material effect on the consolidated financial statements of HUGO BOSS AG. The following accounting standards were not yet subject to mandatory adoption in fiscal year 2013 and were therefore not adopted by HUGO BOSS:

Standard/ interpretation	Publication by IASB	Expected adoption	EU endorsement	Content
IFRS 2 Share-based Payment	December 2013	July 1, 2014	Pending	The amendment of IFRS 2 as part of the 2012 annual improvements clarifies the definition of vesting conditions. This is also expected to clarify the distinction between service conditions and performance conditions.
IFRS 3 Business Combinations	December 2013	July 1, 2014	Pending	As part of the 2012 annual improvements, IFRS 3 prescribes the classification of contingent consideration as an equity or debt instrument and currently refers to other standards in this regard. The amendment intends to replace these cross-references. In addition, contingent consideration will have to be subsequently measured at fair value.
IFRS 3 Business Combinations	November 2012	January 1, 2014	Pending	The amendments as part of the 2013 annual improvements stipulate that the accounting treatment of joint arrangements of any kind does not fall within the scope of IFRS 3.

Standard/ interpretation	Publication by IASB	Expected adoption	EU endorsement	Content
IFRS 5 Non-current Assets Held for Sale and Discontinued Operations	December 2013	January 1, 2016	Pending	The amendments to IFRS 5.26–29 as part of the 2013 annual improvements clarify that, in the event of reclassification from „held for sale“ to „held for distribution“ (or vice versa), the accounting treatment does not change.
IFRS 7 Financial Instruments	December 2013	January 1, 2016	Pending	The amendments to IFRS 7 from the 2013 annual improvements stipulate that servicing contracts constitute a continuing involvement and must be included in the disclosures on transfers. It also clarifies which disclosures have been made on the offsetting financial assets and financial liabilities in the interim financial statements.
IFRS 8 Operating Segments	December 2013	July 1, 2014	Pending	The amendments IFRS 8 from the 2012 annual improvements stipulate that entities disclose the criteria applied for the aggregation of segments pursuant to IAS 8.12 including reference to the economic criteria in particular. A further amendment concerns the reconciliation of segment assets to the entity’s assets. To ensure consistent presentation of assets and liabilities, the previous requirements were amended such that a reconciliation is only mandatory if the total amount is also presented within segment reporting.
IFRS 9 Financial Instruments	November 2009	January 1, 2017	Pending	IFRS 9 Financial Instruments governs the recognition, classification and measurement of financial instruments and replaces IAS 39. The basis taken for assessment is the nature of the contractually agreed cash flows from financial assets and how an entity manages its financial instruments. A uniform impairment method is also envisaged. In October 2010, IFRS 9 was extended to include requirements on the accounting treatment of financial liabilities. In November 2013, the expected date of application was postponed from January 1, 2015 to January 1, 2017.
IFRS 9 Financial Instruments	November 2013	January 1, 2017	Pending	The primary objective of the revised requirements on hedge accounting is to improve the presentation of entities‘ risk activities in the financial statements.
IFRS 10 Consolidated Financial Statements	May 2011	January 1, 2014	December 2012	IFRS 10 completely replaces SIC 12 “Consolidation –Special Purpose Entities” and partially replaces IAS 27. The standard introduces a single consolidation model for all entities based on control, irrespective of the nature of the type of investee. The comprehensive concept of control governs which entities should be included in the consolidated financial statements.
IFRS 10 Consolidated Financial Statements	June 2012	January 1, 2014	April 2013	The amendment to IFRS 10 clarifies transition provisions. Accordingly, comparative information only has to be provided for the comparative period immediately preceding the given period.
IFRS 10 Consolidated Financial Statements	Oktober 2012	January 1, 2014	November 2013	The amendments to IFRS 10 concern the definition of investment entities. This is less restrictive than the definition contained in the Exposure Draft.

Standard/ interpretation	**Publication by IASB**	**Expected adoption**	**EU endorsement**	**Content**
IFRS 11 Joint Arrangements	May 2011	January 1, 2014	December 2012	IFRS 11 replaces IAS 31 "Interests in Joint Ventures" and SIC-13 "Jointly Controlled Entities – Non-Monetary Contributions by Venturers". The standard focuses on the nature of the rights and duties arising from the arrangement rather than its legal form. The option to proportionately consolidate jointly controlled entities has been removed. The remaining method is accounting for the interest using the equity method. In addition, jointly controlled assets have been abolished, leaving only joint operations and joint ventures.
IFRS 11 Joint Arrangements	June 2012	January 1, 2014	April 2013	The amendments to IFRS 11 clarify transition guidance. Accordingly, comparative information only has to be provided for the comparative period immediately preceding the given period.
IFRS 12 Disclosure of Interests in Other Entities	May 2011	January 1, 2014	December 2012	IFRS 12 replaces the disclosures requirements in IAS 27, IAS 28, IAS 31 and SIC 12. By introducing new and more extensive disclosures for all types of interests in entities, the standard aims to improve disclosures on consolidated and non-consolidated entities.
IFRS 12 Disclosure of Interests in Other Entities	June 2012	January 1, 2014	April 2013	The amendments to IFRS 12 clarify transition guidance. Accordingly, comparative information only has to be provided for the comparative period immediately preceding the given period. In addition, it removes the requirement to disclose comparative information for non-consolidated entities for periods prior to the first-time application of IFRS 12.
IFRS 12 Disclosure of Interests in Other Entities	October 2012	January 1, 2014	November 2013	The amendments to IFRS 12 concern the definition of investment entities. This is less restrictive than that in the Exposure Draft.
IFRS 13 Fair Value Measurement	December 2013	July 1, 2014	Pending	IFRS 13 was adjusted by subsequent amendments made to IFRS 9 and IAS 39. As a consequence, the exemption permitting the recognition of current receivables and payables without a fixed interest rate at their nominal value, provided the effect of the time value of money is not material, has been removed. However, the annual improvements clarify that the regulation can still be applied.
IFRS 13 Fair Value Measurement	November 2013	January 1, 2014	Pending	The amendment from the 2013 annual improvements clarifies that the exception for portfolios referred to in IFRS 13.52 includes all agreements accounted for both under IAS 39 and IFRS 9. This applies irrespective of whether they satisfy the definition of a financial assets or financial liability in accordance with IAS 32.
IAS 16 IAS 38 Property, Plant and Equipment Intangible Assets	December 2013	July 1, 2014	Pending	The amendments to IAS 16 and IAS 38 from the 2012 annual improvements establish that if the gross method is used when applying the revaluation method, a proportionate restatement of accumulated depreciation is no longer mandatory. The gross carrying amount must be adjusted in a manner that is consistent with the revaluation of the carrying amount. Accumulated depreciation must be calculated as the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.
IAS 19 Employee Benefits	November 2013	July 1, 2014	Pending	The amendment is intended to supplement IAS 19.93 such that employee contributions or contributions by third parties are recognized as a reduction in the service cost in the period in which the related service is rendered.

Standard/ interpretation	Publication by IASB	Expected adoption	EU endorsement	Content
IAS 19 Employee Benefits	December 2013	January 1, 2016	Pending	The amendment of IAS 19.83 as part of the 2013 annual improvements clarifies that the corporate bonds used to estimate the discount rate should be denominated in the same currency as the liability rather than having to be from the same country.
IAS 24 Related Party Disclosures	December 2013	July 1, 2014	Pending	The amendments to IAS 24 from the 2012 annual improvements clarify that, not only natural persons, but also legal persons can qualify as key management (management entity).
IAS 27 Consolidated and Separate Financial Statements	May 2011	January 1, 2014	December 2012	The consolidation requirements previously contained in IAS 27 were revised and are now contained in IFRS 10 Consolidated Financial Statements. Accordingly, IAS 27 now only contains guidance governing separate financial statements.
IAS 27 Consolidated and Separate Financial Statements	October 2012	January 1, 2014	November 2013	The amendments to IAS 27 concern the definition of investment entities. This is less restrictive than that in the Exposure Draft.
IAS 28 Investments in Associates	May 2011	January 1, 2014	December 2012	The amendments to IAS 28 are follow-up changes resulting from the new IFRS 10, IFRS 11 and IFRS 12. As a result, the scope of IAS 28 has been extended to include the accounting treatment of joint ventures.
IAS 32 Financial Instruments	December 2011	January 1, 2014	December 2012	The amendments to IAS 32 clarify existing offsetting rules.
IAS 34 Interim Financial Reporting	December 2013	January 1, 2016	Pending	The amendment to IAS 34.16A as part of the 2013 annual improvements establishes that disclosures must be provided either in the interim financial statements or elsewhere in the interim financial report. In such cases, interim financial reports must contain a corresponding cross-reference.
IAS 39 Financial Instruments: Recognition and Measurement	June 2013	January 1, 2014	December 2013	In certain circumstances, the novation of a hedging instrument to a central counterparty on account of legal requirements does not lead to the dissolution of a hedging relationship.
IAS 40 Investment property	November 2012	January 1, 2014	Pending	The amendment as part of the 2013 annual improvements clarifies that both IFRS 3 and IAS 40 are applicable for the acquisition of investment property if it meets the definition of a business combination pursuant to IFRS 3.
IFRIC 21 Levies	May 2013	January 1, 2014	Pending	IFRIC 21 provides guidance on the accounting treatment of public levies that do not qualify as income taxes and clarifies in particular when to recognize a liability to pay such a levy. It also clarifies that levies that are triggered when specific thresholds are reached are not accounted for until they are reached.

BASIS OF CONSOLIDATION

The HUGO BOSS Group's basis of consolidation includes HUGO BOSS AG and the entities that it controls. Control is generally deemed to exist if the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Apart from HUGO BOSS AG, Metzingen, Germany, the following companies are included in the basis of consolidation (100% share in capital in each case, unless otherwise indicated):

BIL Leasing Verwaltungs-GmbH & Co. 869 KG	Pullach, Germany[1,2]
GRAMOLERA Grundstücks-Vermietungsgesellschaft Objekt Ticino mbH	Metzingen, Germany[2]
HUGO BOSS (Schweiz) AG	Zug, Switzerland
HUGO BOSS Australia Pty. Ltd.	Preston, Australia
HUGO BOSS Belgium BVBA	Diegem, Belgium
HUGO BOSS Belgium Retail BVBA	Diegem, Belgium
HUGO BOSS Benelux B.V.	Amsterdam, Netherlands
HUGO BOSS Benelux B.V. CIA, S.C	Madrid, Spain
HUGO BOSS Benelux Retail B.V.	Amsterdam, Netherlands
HUGO BOSS Beteiligungsgesellschaft mbH	Metzingen, Germany[2]
HUGO BOSS Canada, Inc.	Toronto, Canada
HUGO BOSS China Retail Co. Ltd.	Shanghai, China
HUGO BOSS Cleveland, Inc.	Cleveland, Ohio, U.S.A.
HUGO BOSS Dienstleistungs GmbH	Metzingen, Germany
HUGO BOSS do Brasil Ltda.	São Paulo, Brazil
HUGO BOSS Fashions, Inc.	Wilmington, DE, U.S.A.
HUGO BOSS France SAS	Paris, France
HUGO BOSS Guangdong Trading Co. Ltd.	Guangzhou, China
HUGO BOSS Hellas LLC	Athens, Greece
HUGO BOSS Holding Netherlands B.V.	Amsterdam, Netherlands
HUGO BOSS Holding Sourcing S.A.	Coldrerio, Switzerland
HUGO BOSS Holdings Pty. Ltd.	Preston, Australia
HUGO BOSS Hong Kong Ltd.	Hong Kong
HUGO BOSS International B.V.	Amsterdam, Netherlands
HUGO BOSS International Markets AG	Zug, Switzerland
HUGO BOSS Internationale Beteiligungs-GmbH	Metzingen, Germany[2]
HUGO BOSS Ireland Limited	Dublin, Ireland
HUGO BOSS Italia S.p.A.	Milan, Italy
HUGO BOSS Japan K.K.	Tokyo, Japan
HUGO BOSS Licensing, Inc.	Wilmington, DE, U.S.A.
HUGO BOSS Lotus Hong Kong Limited	Hong Kong[3]
HUGO BOSS Magazacilik Limited Sirketi	Izmir, Turkey
HUGO BOSS Mexico Management Services S.A. de C.V.	Mexico City, Mexico
HUGO BOSS Mexico S.A. de C.V.	Mexico City, Mexico
HUGO BOSS Nordic ApS	Copenhagen, Denmark
HUGO BOSS Portugal & Companhia	Lisbon, Portugal
HUGO BOSS Retail, Inc.	New York, NY, U.S.A.
HUGO BOSS Rus LLC	Moscow, Russia
HUGO BOSS Scandinavia AB	Stockholm, Sweden

[1] Investments with a 94% share in capital.
[2] Subsidiaries that exercise the exemption of Secs. 264 (3) and 264b HGB ["Handelsgesetzbuch": German Commercial Code].
[3] Investments with a 60% share in capital.

HUGO BOSS Shoes & Accessories Italia S.p.A.	Morrovalle, Italy
HUGO BOSS South East Asia Pte. Ltd.	Singapore
HUGO BOSS Switzerland Retail AG	Zurich, Switzerland
HUGO BOSS Textile Industry Ltd.	Izmir, Turkey
HUGO BOSS Ticino S.A.	Coldrerio, Switzerland
HUGO BOSS Trade Mark Management GmbH & Co. KG	Metzingen, Germany[2]
HUGO BOSS Trade Mark Management Verwaltungs-GmbH	Metzingen, Germany
HUGO BOSS UK Limited	London, Great Britain
HUGO BOSS USA, Inc.	New York, NY, U.S.A.
HUGO BOSS Vermögensverwaltungs GmbH & Co. KG	Metzingen, Germany[2]
Lotus (Shenzhen) Commerce Ltd.	Shenzhen, China[3]
Lotus Concept Trading (Macau) Co., Ltd.	Macau[3]
MSC Poland Sp.z.o.o.	Radom, Poland
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG	Grünwald, Germany[1,2]
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG	Grünwald, Germany[1,2]

[1] Investments with a 94% share in capital.
[2] Subsidiaries that exercise the exemption of Secs. 264 (3) and 264b HGB ["Handelsgesetzbuch": German Commercial Code].
[3] Investments with a 60% share in capital.

The HUGO BOSS Group founded a new subsidiary in Finland, HUGO BOSS Finland OY, Helsinki, Finland, effective September 26, 2013. The HUGO BOSS Group has a 100% shareholding in this company. On grounds of immateriality for the Group, HUGO BOSS Finland OY is not included in the consolidated financial statements as of December 31, 2013.

CHANGES IN BASIS OF CONSOLIDATION

In the reporting period from January 1 to December 31, 2013, the number of consolidated companies increased from 54 to 55 in comparison to the consolidated financial statements as of December 31, 2012. Overall, the number of companies included in the consolidated financial statements was as follows in fiscal year 2013:

	2013	2012
January 1	**54**	**54**
Newly founded/consolidated companies	3	0
Merged companies/disposal	(1)	0
Derecognized due to loss of control	(1)	0
December 31	**55**	**54**

The new company HUGO BOSS RUS LLC, Moscow, Russia, which was founded in fiscal year 2012, was not included in the consolidated financial statements as of December 31, 2012, on the grounds of immateriality. The subsidiary was consolidated for the first time on January 1, 2013.

As of June 1, 2013, HUGO BOSS SOUTH EAST ASIA PTE. LTD., Singapore, was consolidated for the first time as a wholly owned subsidiary.

In the third quarter, Lebourg TCS, as the former franchise partner of HUGO BOSS France SAS, was taken over in a share deal as of August 1. Further disclosures in this regard are provided in the section "Business combinations". As of November 30, 2013, the company was merged into HUGO BOSS France SAS.

On account of contractual agreements, control over Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG ended. As the Group is no longer control over the company, it was deconsolidated as of June 30, 2013, and has since been recognized as an equity investment under other non-current financial assets. The effects of deconsolidation on the Group's net assets, financial position and results of operations as of the time of disposal are shown in the table below:

(in EUR thousand)

	Dec. 31, 2013
Assets	
Non-current assets	(57,182)
Thereof intangible assets	(526)
Thereof property, plant and equipment	(56,638)
Current assets	(2,828)
Thereof cash and cash equivalents	(1,698)
TOTAL	**(60,010)**
Equity and liabilities	
Equity	25
Non-current liabilities	60,000
Thereof non-current financial liabilities	60,000
Current liabilities	255
TOTAL	**60,280**
Gain on deconsolidation	**270**

DISCLOSURE ON THE LARGEST GROUP OF CONSOLIDATED COMPANIES

Effective July 1, 2013, Red & Black Holding GmbH, Oberursel (Taunus) was merged into Red & Black Lux S.à r.l., Luxembourg. Accordingly, Red & Black Lux S.à r.l., Luxembourg, now holds the majority of the voting rights in HUGO BOSS AG. The consolidated financial statements of HUGO BOSS AG are included in the consolidated financial statements of Red & Black Lux S.à r.l., Luxembourg, as the largest group of consolidated companies.

CONSOLIDATION PRINCIPLES

Subsidiaries are included in the consolidated financial statements as of the acquisition date, i.e., the date on which HUGO BOSS AG can indirectly or directly exercise control. Control is generally assumed when the majority of voting rights are held. Entities continue to be consolidated until the date that such control by the parent company ceases. Subsidiaries with an immaterial influence on the net assets, financial position and results of operations of the Group are not included in the consolidated financial statements. Influence is deemed immaterial if the sales, earnings and total assets on aggregate make up less than 1% of the corresponding figures of the Group. This is reassessed at each reporting date. Non-consolidated subsidiaries are measured at fair value or, if this cannot be determined reliably, at cost, and reported under other non-current financial assets.

Entities over which the Company exercises significant influence (associates) are accounted for using the equity method; this is generally the case when the share of voting rights ranges from 20% to 50%.

All other investments are accounted for at cost as market values are not available and the fair values cannot be reliably determined by any other means.

The financial statements of subsidiaries are prepared using uniform accounting policies.

The effects of intercompany transactions are eliminated. Receivables and liabilities between the consolidated companies are offset against each other; intercompany gains and losses pertaining to intangible assets, property, plant and equipment and inventories are eliminated; intercompany income is offset against the corresponding intercompany expenses. Deferred taxes are recognized on temporary differences arising on consolidation in accordance with IAS 12.

BUSINESS COMBINATIONS

All business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition-date fair value and the amount of any non-controlling interest in the acquiree. The identifiable assets acquired and liabilities assumed (including contingent liabilities) in a business combination are measured at their acquisition-date fair values. Non-controlling interests are measured at their proportionate share in the fair value of the identifiable assets and liabilities. Acquisition-related costs incurred are expensed.

GOODWILL

When a company obtains control over another company, this constitutes a business combination within the meaning of IFRS 3. In accordance with IFRS 3, business combinations must be accounted for using the acquisition method, which entails the performance of a purchase price allocation.

The goodwill resulting from a business combination is the excess between the consideration transferred and the amount of any non-controlling interest on the one hand and the assets acquired and liabilities assumed on the other. If the consideration is lower than the fair value of the net assets of the acquiree, the difference is reassessed and then recognized in profit or loss.

After initial recognition, goodwill is carried at cost in the functional currency of the foreign acquiree less any accumulated impairment losses. Any goodwill recognized is tested for impairment annually and whenever there is an indication that the assets might be impaired.

ELIMINATION OF INTERCOMPANY PROFITS

The HUGO BOSS distribution companies generally source finished goods and merchandise solely from the Group's in-house production and procurement units. Gains on intercompany deliveries of merchandise still in stock as of the reporting date are eliminated.

If the carrying amount in the books of the distribution company has been written down locally below the cost recognized at Group level, no intercompany profits are eliminated.

Any difference between the carrying amount of the merchandise at the level the distribution company following the local recognition of write-downs and the cost recognized at Group level is eliminated.

In addition, merchandise carried at cost at Group level is tested for impairment from the perspective of the HUGO BOSS Group. If the cost recognized at Group level exceeds the expected recoverable sales proceeds, an impairment loss is charged. The expected recoverable sales proceeds from the Group's perspective are determined by reference to the Group's own sales channels worldwide, particularly its warehouse and outlet capacity.

CURRENCY TRANSLATION

The Group's reporting currency is the functional currency of the parent company, HUGO BOSS AG. As a rule, the functional currency of the subsidiaries included in the consolidated financial statements is the corresponding local currency. For units that conduct a significant portion of their sales and procurement activities and that finance operations in a currency other than the corresponding local currency, the functional currency is the currency of the primary business environment. Accordingly, the euro is the functional currency of HUGO BOSS Textile Industry Ltd., Turkey, and HUGO BOSS International Markets AG, Switzerland, as these companies conduct most of their business in euro.

FOREIGN CURRENCY TRANSACTIONS AND BALANCES

In the separate financial statements, transactions in foreign currency are translated at the exchange rates valid at the dates of the transactions. Monetary items (cash and cash equivalents, receivables and liabilities) denominated in foreign currencies are translated into the functional currency at closing rates.

The resulting exchange rate gains and losses are recognized through profit and loss in other financial items.

TRANSLATION OF THE SEPARATE FINANCIAL STATEMENTS

The financial statements of the foreign group companies whose functional currency is not the euro are translated into the group reporting currency, the euro. Items are translated using the modified closing rate in accordance with IAS 21, under which assets, including goodwill, and liabilities are translated at closing rates, and income statement items are translated at the average exchange rates for the reporting period. Differences from currency translation of income statements at average rates and statements of financial position at closing rates are reported without effect on profit or loss in other comprehensive income. The currency difference resulting from the translation of equity at historical rates is likewise posted to other comprehensive income. Currency differences recognized in other comprehensive income are recycled to the income statement if the corresponding group company is sold.

The most important exchange rates applied in the consolidated financial statements developed as follows in relation to the euro:

	Currency	Average rate		Closing rate	
Country	1 EUR =	**2013**	2012	**2013**	2012
Australia	AUD	1.3764	1.2412	1.5423	1.2712
China	CNY	8.1636	8.1085	8.3491	8.2207
Great Britain	GBP	0.8492	0.8111	0.8337	0.8161
Hong Kong	HKD	10.2989	9.9714	10.6933	10.2260
Japan	JPY	129.5244	102.5697	144.7200	113.6100
Switzerland	CHF	1.2310	1.2053	1.2276	1.2072
U.S.A.	USD	1.3278	1.2854	1.3791	1.3194

ACCOUNTING POLICIES

The financial statements of HUGO BOSS AG and the German and foreign subsidiaries are prepared pursuant to uniform accounting policies in accordance with IAS 27.

RECOGNITION OF INCOME AND EXPENSES

Income is recognized to the extent that it is probable that the economic benefits will flow to the Group and the income can be reliably measured. Income is measured at the fair value of the consideration received. Income is reported after deductions including discounts and other price deductions and net of VAT. The specific recognition criteria described below must also be met before income is recognized.

SALE OF MERCHANDISE AND GOODS

In the wholesale channel, income from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Sales from the Group's own retail business are recognized when transactions with customers are completed. Claims from returned goods agreements are deducted from income to the extent that the amount of the future goods returned can be reliably determined. Provisions for returned goods are determined based on historical rates of goods returned for each channel.

INTEREST INCOME

Interest is recognized pro rata temporis taking into account the effective yield on the asset.

ROYALTIES AND OTHER INCOME

Royalties and other income are recognized in the period in which they are generated in accordance with the terms of the underlying agreements.

Operating expenses are recognized in the income statement as the corresponding income is generated, i.e. as incurred.

FUNCTIONAL COSTS

Operating expenses are essentially allocated to the individual function based on the respective cost centers. Expenses incurred in connection with cross-functional activities or projects are spread among the function costs concerned using an adequate allocation principle.

INVENTORIES

Raw materials and supplies as well as merchandise are essentially measured at moving average cost and, in the case of goods produced in-house, at a standard price that is adjusted for fluctuations in production. Work in progress and finished goods are measured at production cost. The production cost of finished goods includes direct material, direct labor, proportionate material and production overheads, and production-related amortization and depreciation insofar as this is a consequence of production. Also included are general administrative expenses and expenses for social facilities, expenses for voluntary social benefits and occupational pensions, to the extent that they are related to production and are incurred in the production period. Borrowing costs are not capitalized, but are instead expensed as incurred to the extent that the criteria for recognition in the carrying amount of an asset are not satisfied.

Inventories are carried at the lower of cost or realizable sales price less costs to sell.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment that are used in business operations for longer than one year are measured at cost less accumulated depreciation. Cost includes all costs directly allocable to the production process as well as an appropriate portion of production-related overheads. Borrowing costs are not capitalized, but are instead expensed as incurred to the extent that the criteria for recognition in the carrying amount of an asset are not satisfied. The underlying useful lives correspond to the expected useful lives within the Group. Depreciation solely pertaining to tax regulations is not recognized.

A useful life of 30 years is generally set for buildings. Buildings and leasehold improvements on third-party land are depreciated over the term of the underlying lease agreements or the lower useful lives. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a corresponding provision are satisfied.

Property, plant and equipment are generally depreciated using the straight-line method. Technical equipment and machinery has a useful life ranging between 5 and 15 years, while other equipment, operating and office equipment has a useful life of between 2 and 15 years.

The useful lives and depreciation methods used for property, plant and equipment are reviewed regularly to ensure that the methods and periods of depreciation are consistent with the expected economic benefit from the items of property, plant and equipment.

NON-CURRENT ASSETS HELD FOR SALE

Individual non-current assets or disposal groups are classified as "held for sale" if their sale is highly probable and they are available for immediate sale in their present condition. Non-current assets held for sale are reported separately in the statement of financial position and are measured at the lower of their carrying amount and fair value less costs to sell. Depreciation of the assets or disposal groups ceases when they are classified as non-current assets held for sale.

LEASES

In the case of lease arrangements with the Group as lessee, economic ownership of the leased asset is allocated to the lessee in accordance with IAS 17 if substantially all the risks and rewards incidental to ownership of the leased asset are transferred to the Group (finance lease). The depreciation methods and useful lives applied correspond to those for comparable assets acquired for a consideration. Leased assets are generally capitalized as of the date on which the agreement is concluded at the fair value of the leased property or, if lower, the present value of the minimum lease payments. Initial direct costs are added to the carrying amount of the asset. The lease obligations, which correspond to the carrying amount of the lease assets, are reported under financial liabilities.

If economic ownership of a leased asset is attributable to the lessor (operating lease), the leased asset is recognized by the lessor. The corresponding lease payments are generally recognized as an expense on a straight-line basis over the lease term.

A substantial number of rental agreements have been entered into within the HUGO BOSS Group which qualify as operating leases based on their substance, such that the leased asset is attributable to the lessor. This concerns in particular the rental agreements for the real estate used by the retail stores operated by the Group, warehouse and office space used by the Group companies, most of which are based on minimum lease payments. Lease arrangements are also in place that contain agreements on contingent rents (particularly rent linked to sales). Some agreements contain renewal options that are taken into account in the calculation of terms and the minimum lease payments, if it is reasonably certain at the inception of the lease that the option will be exercised.

INTANGIBLE ASSETS

Acquired and internally generated intangible assets are recognized if it is probable that a future economic benefit will flow to the company from the use of the asset and the cost of the asset can be reliably determined. Acquired intangible assets and internally generated intangible assets are measured at cost. Cost includes all costs directly allocable to the production process as well as an appropriate portion of production-related overheads. Borrowing costs are not capitalized, but are instead expensed as incurred to the extent that the criteria for recognition in the carrying amount of an asset are not satisfied. Purchased and internally generated intangible assets with finite useful lives are amortized using the straight-line method over a useful life of two to ten years. Key money is also considered to be an intangible asset. These are one-off payments made to the previous tenant when leases are entered into for own retail stores in prime locations. The distinction between finite and indefinite useful life is made by reference to the actual circumstances in the countries in which the retail stores are located. At present, key money with indefinite useful lives is recognized in France and Denmark.

Intangible assets with an indefinite useful life are tested for impairment once a year. If the carrying amount of the asset is no longer recoverable, an impairment loss is recognized.

RESEARCH AND DEVELOPMENT COSTS

Research costs are expensed as incurred. Development costs are likewise expensed as incurred if they do not satisfy the criteria for recognition as internally generated intangible assets. Proportionate production-related development costs are generally included in the calculation of the cost of raw materials and finished goods. These essentially comprise the cost of technical product development in the third phase of the collection creation process.

FINANCIAL INSTRUMENTS

Pursuant to IAS 39, a financial instrument is a contract that gives rise to both a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets encompass cash and cash equivalents, trade receivables and other loans and receivables originated by the Company as well as derivative financial assets held for trading.

Financial liabilities comprise trade payables, liabilities due to banks, liabilities from finance leases, derivative financial liabilities held for trading and other financial liabilities.

Financial assets and financial liabilities, to the extent that they are currently relevant to the HUGO BOSS Group, are classified into the following categories:

a / Financial assets at fair value through profit or loss (FAHfT)
b / Loans and receivables (LaR)
c / Financial liabilities at fair value through profit or loss (FLHfT)
d / Other financial liabilities measured at amortized cost using the effective interest method (FLAC)
e / Available-for-sale assets at fair value (AFS).

If there is no active market and fair value cannot be reliably determined, equity instruments are measured at amortized cost.

Financial assets and liabilities are designated to the above categories upon initial recognition. If permitted and necessary, any reclassifications are made at the end of the fiscal year.

FINANCIAL ASSETS

All regular way purchases and sales of financial assets are recognized on the trade date, which is the date that the Group commits to purchase or sell the asset.

Financial assets are recognized initially at fair value. For all financial assets that are not measured at fair value through profit or loss, directly attributable transaction costs are also taken into account.

As a rule, the fair values recognized in the statement of financial position are the market prices of the corresponding financial assets. If these are not available, fair value is determined using generally accepted valuation models by reference to current market parameters. Such techniques include using recent arm's length market transactions, reference to the current market value of another instrument which is substantially the same, or discounted cash flow analysis and other valuation models.

Cash and cash and cash equivalents recognized in the statement of financial position comprise cash in hand, balances with banks and other short-term deposits with an original term of less than three months; they are measured at amortized cost.

Trade receivables and other loans and receivables are subsequently measured at amortized cost (less any impairment losses), using the effective interest method where applicable. Gains and losses are recognized through profit or loss when the receivables are derecognized, impaired or settled.

Financial assets are measured at fair value through profit or loss if they were acquired for the purpose of selling them in the near future. This includes derivative financial instruments that are not designated to an effective hedging relationship in accordance with IAS 39. Gains and losses from financial assets measured at fair value through profit or loss are always posted to profit or loss.

Financial assets that are not measured at fair value through profit or loss are tested for impairment at every reporting date. If the carrying amount of a financial asset exceeds its fair value, it is reduced to the fair value. This decrease constitutes an impairment loss that is posted through profit or loss. An impairment loss recognized in profit or loss in a prior period is reversed if this is necessary on account of events occurring after it was originally recognized.

A financial asset is derecognized when the contractual rights to receive cash flows from the financial asset expire or are transferred. In the latter case, substantially all the significant risks and rewards of ownership of the financial assets must be transferred or control over the asset must be transferred.

FINANCIAL LIABILITIES

Financial liabilities are initially measured at fair value less any directly attributable transaction costs.

Derivatives that are not designated to an effective hedging relationship are measured at fair value through profit or loss. Negative fair values are reported under other financial liabilities. Gains and losses from subsequent measurement are recognized in profit or loss.

Trade payables and interest-bearing loans are subsequently measured at amortized cost using the effective interest method. Any resulting gains and losses are posted to profit or loss when the liabilities are derecognized or extinguished.

A financial liability is derecognized when the obligation underlying the liability is discharged, canceled or expires.

DERIVATIVE FINANCIAL INSTRUMENTS

In the HUGO BOSS Group, derivative financial instruments are solely used to hedge interest rate and currency risks from the operating business.

When hedges are entered into, specific derivatives are allocated to hedged items. The requirements of IAS 39 for the designation of hedges are satisfied.

Pursuant to IAS 39, all derivative financial instruments are measured at fair value through profit or loss irrespective of the purpose or intention for which they were concluded. Changes in the fair value of derivative financial instruments are recognized in profit or loss.

To the extent that the financial instruments used are effective hedges as part of a hedging relationship in accordance with the requirements of IAS 39 (cash flow hedges), fair value fluctuations during the term of the derivative do not affect profit or loss for the period. Instead, fair value fluctuations are recognized in equity in the corresponding reserve item. The cumulative amounts recognized in equity are recycled through profit or loss in the same period during which the hedged cash flows affect profit or loss.

Fair value generally corresponds to the market value or quoted price. If there is no active market, fair value is determined using generally accepted valuation models and bank valuations. In the HUGO BOSS Group all financial instruments that are not quoted in an active market are measured using observable measurement parameters.

It is the Group's policy to solely enter into effective derivatives for the purpose of hedging interest and currency risks. The substantive and formal requirements of IAS 39 for hedge accounting were satisfied both at the inception of the hedges and on the reporting date.

IMPAIRMENT OF NON-FINANCIAL ASSETS

Non-financial assets (property, plant and equipment and intangible assets including goodwill) are assessed at every reporting date as to whether there is an indication of impairment ("triggering events"). If there is any such indication, the recoverable amount of the asset is estimated. Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives (key money and brand rights) and goodwill acquired in a business combination are tested for impairment annually. The recoverable amount is the higher of fair value of the asset less costs to sell and value in use. The value in use is the present value of the expected cash flows. The expected cash flows are discounted using the after-tax weighted average cost of capital that reflects the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account based on external appraisals, if available. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the smallest identifiable group of assets to which the asset belongs (cash-generating unit – CGU) is determined.

If the carrying amount of the asset or CGU exceeds the corresponding recoverable amount, an impairment loss is immediately recognized through profit or loss. If a CGU is impaired, the carrying amount of any goodwill allocated to the unit is reduced first. Any remaining impairment loss reduces the other non-current assets of the cash-generating unit pro rata.

If, following an impairment loss recognized in prior periods, an asset or CGU has a higher recoverable amount, the impairment loss is reversed to the lower of the recoverable amount or the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods. The impairment loss is reversed through profit or loss. Reversals of impairment losses recognized on goodwill are not permitted.

INCOME TAXES

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

In accordance with IAS 12, deferred tax assets and deferred tax liabilities are recognized for all temporary differences between the tax bases and the carrying amounts for financial reporting purposes of the separate entities and the carrying amounts in the consolidated financial statements in accordance with IFRSs and for certain consolidation entries. Deferred tax assets and deferred tax liabilities are recognized using the liability method.

Deferred tax assets also include tax credits that result from the expected utilization of existing unused tax losses in subsequent years and the realization of which can be assumed with reasonable assurance.

Deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply when the temporary differences reverse. Deferred tax liabilities are recognized on the retained earnings of foreign subsidiaries to the extent that it is likely that these will be distributed in the future.

Deferred tax assets and deferred tax liabilities are presented on a net basis to the extent that the Group has a right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the same taxable entity. Deferred taxes relating to items recognized directly in equity are likewise recognized directly in equity.

FINANCE LEASE LIABILITIES

Finance lease liabilities are initially recognized at the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The liability is subsequently amortized and measured using the effective interest method.

The interest component of the lease liabilities is reported in the consolidated income statement over the term of the lease.

OWN SHARES

If the Group reacquires own equity instruments, those instruments are recognized at cost and deducted from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount and the consideration, if sold or reissued, is recognized as a share premium. The Group cannot exercise the voting rights of own shares. Moreover, they are not allocated dividends.

PROVISIONS

Provisions are recognized if a past event has led to a current legal or constructive obligation to third parties which is expected to lead to a future outflow of resources that can be estimated reliably. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions with a term of more than one year are discounted using a risk-free interest rate. Where the effect of the time value of money is material, the amount of the provision is the present value of the expenditures expected to be required to settle the obligation.

RESTRUCTURING EXPENSES

Restructuring expenses are recognized in the period in which they are incurred or in which the above criteria for the recognition of a provision are satisfied. Early termination payments are recognized as an expense and an obligation if the Company has verifiably made a commitment under a formal plan by either offering termination benefits intended as an incentive for voluntary redundancy or has committed to early termination before the normal retirement age is reached.

PROVISIONS FOR PENSIONS

Provisions for pensions are measured using with the projected unit credit method required under IAS 19R for defined benefit plans, which takes into account future adjustments to salaries and pensions. The year-end present value determined using the projected unit credit method was compared to the fair value of plan assets in external funds to the extent that offsetting is permissible (asset ceiling). Actuarial gains and losses are immediately posted in full to other comprehensive income. Actuarial gains and losses are not reclassified from other comprehensive income to consolidated net income in subsequent years. The same applies to all effects of the asset ceiling. Net interest determined by multiplying the net defined benefit liability by the discount rate underlying the net defined benefit obligation (DBO) is reported in the financial result. The difference between the interest income on plan assets and the originally anticipated return on plan assets is posted to other comprehensive income. The remaining components of pension expenses are reported in the operating result.

CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Contingent liabilities are not recognized. They are disclosed in the notes to the financial statements, unless an outflow of resources embodying economic benefits is very unlikely. Contingent assets are likewise not recognized. They are disclosed in the notes to the financial statements if an inflow of economic benefits is probable.

SEGMENT REPORTING

In accordance with the management approach, the HUGO BOSS Group's segment reporting is based on the internal organizational and reporting structure. The data used to determine the internal indicators are derived from the financial statements prepared in accordance with IFRSs.

EXERCISE OF JUDGMENT AND ESTIMATES WHEN APPLYING ACCOUNTING POLICIES

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. These estimates and assumptions are made to obtain a fair presentation of the Group's net assets, financial position and results of operations. The underlying assumptions are continually revised. However, actual amounts can deviate from the original estimates.

In the process of applying the Group's accounting policies, management has made the following judgments, which have the most significant effect on the amounts recognized in the consolidated financial statements:

a / Impairment of non-financial assets

Specific fundamental assumptions were made to determine the recoverable amount when assessing the recoverability of intangible assets (goodwill, brand rights with indefinite useful lives, key money with finite and indefinite useful lives) and property, plant and equipment of the Group's own retail business. In this context, the expected cash flows used in impairment testing are derived from budgets from medium-term planning for each respective CGU. Management assumes that the assumptions and estimates underlying the discounted cash flows are appropriate. However, changes in the economic environment and the industry-specific growth assumptions can have consequences for impairment testing resulting in the need to recognize additional impairment losses or to reverse impairment losses in the future.

The key assumptions used to determine the recoverable amount for the different CGUs, including a sensitivity analysis, are further explained in Note 13.

Impairment losses of EUR 13,881 thousand (2012: EUR 10,567 thousand) and reversals of impairment losses of EUR 2,248 thousand (2012: EUR 0 thousand) were recognized as of the reporting date. Further explanations are provided in Notes 10 to 13.

b / Individual bad debt allowances

The recoverability of trade receivables is assessed based on the estimated likelihood of default. Accordingly, receivables from customers on whose assets insolvency proceedings have been initiated are written off in full (to the extent that any collateral provided is not recoverable) by recognizing individual bad debt allowances. Individual bad debt allowances ranging between 1% and 100% are recognized on overdue receivables. All subsidiaries of the HUGO BOSS Group have to prepare an analysis of the aging structure of their trade receivables. This permits the recognition of risk-adjusted valuation allowances. External appraisals on the value of collateral were also obtained in the course of assessing the recoverability of receivables.

In the event of the customer's financial position deteriorating, the amounts actually derecognized can exceed the valuation allowances recognized, which can have an adverse impact on the results of operations.

Impairment losses of EUR 15,126 thousand (2012: EUR 16,628 thousand) were recognized as of the reporting date. Further explanations are provided in Note 16.

c / Inventory measurement

Write-downs provide for inventory risks from slow-moving goods and the resulting decrease in the recoverability.

Write-downs ranging between 1% and 95 % are recognized on raw materials based on analyses of range of coverage and movement rate. Work in progress is not written down. Finished goods and merchandise are measured based on the net realizable value through the Group's own sales channels.

Merchandise and finished goods are tested for impairment on the basis of analyses of movement rate, range of coverage, and net realizable value. Impairment losses recognized to account for lower expected sales prices both at the level of the distribution companies and from the perspective of the Group are anticipated through these write-down routines.

Inventories of EUR 82,312 thousand (2012: EUR 87,537 thousand) were recognized at fair value less costs to sell as of the reporting date. In fiscal year 2013, impairment losses of EUR 13,004 thousand were recognized (2012: EUR 41,891 thousand). These are explained in Note 15.

d / Provisions

As the HUGO BOSS Group has operating activities in numerous countries, it is subject to many different legal conditions. Owing to the complexity of international requirements, differences arising between the actual events and the assumptions made or any adjustments to such assumptions could necessitate future adjustments to provisions recognized by the Group. Based on reasonable estimates, provisions are recognized for the potential ramifications of legal issues. Such assessment also takes into account the estimation of local, external experts such as lawyers and tax advisors. Any deviations between the original estimates and the actual outcome can impact the Group's net assets, financial position and results of operations in the given period.

Other provisions of EUR 122,812 thousand (2012: EUR 113,212 thousand) were recognized as of the reporting date. Further explanations are provided in Note 24.

Since 2012, a tax field audit is in progress for the assessment periods 2007 through 2011 at HUGO BOSS AG, which has not been completed yet. Based on the findings available so far and the audit notes of the ongoing tax field audit, the Company has identified potential tax risks from issues recognized and issues not recognized on the face of the statement of financial position as well from structural changes. As the tax field audit had not been completed at the time of preparing the financial statements, new findings in connection with tax field audit could lead to changes in the risks provided for as liabilities as of December 31, 2013.

Income tax liabilities of EUR 63,372 thousand (2012: EUR 51,198 thousand) were recognized as of the reporting date. These include provisions relating to risks from the tax field audit for the years 2007 through 2011. Further explanations are provided in Note 7.

e / Provision for pensions

The expense from defined benefit plans is determined based on actuarial calculations. This involves making assumptions about discount rates, the expected return on plan assets, future salary increases, mortality rates and future pension increases. The discount rates used are based on the market yields of high-quality, fixed-interest corporate bonds. The expected long-term return on plan assets is determined by reference to historical long-term yields and the portfolio structure. As these plans are of a long-term nature, such assumptions are subject to a high degree of uncertainty.

Provisions for pensions of EUR 29,795 thousand (2012: EUR 31,237 thousand) were recognized as of the reporting date. Reference is made to Note 25 for further details.

f/ Deferred taxes on unused tax losses

Deferred tax assets are recognized on unused tax losses to the extent that it is probable that taxable profits will be available in the future against which the unused tax losses can be utilized. In this regard, management exercises judgment as to the expected timing and the amount of the taxable profits and measures deferred tax assets on unused tax losses accordingly.

As of the reporting date, deferred taxes were recognized on unused tax losses amounting to EUR 10,295 thousand (2012: EUR 5,090 thousand). Reference is made to Note 7 for further details.

g/ Accounting treatment of business combinations/acquisitions of other business units

Goodwill is disclosed in the statement of financial position in connection with business combinations and the acquisition of other business units. This constitutes the excess of the aggregate of the consideration transferred and the amount of any non-controlling interest over the assets acquired and the liabilities assumed.

All identifiable assets and liabilities are recognized at fair value upon first-time consolidation. The fair values recognized constitute a significant estimate. If intangible assets are identified, the fair value is determined using appropriate valuation methods taking their nature into account. These measurements are based on various input factors and are partially associated with assumptions of management about the future development of the value of the respective asset and the discount rates used.

Goodwill from the business combinations recognized in fiscal year 2013 amounted to EUR 572 thousand. Additional explanations are presented in the notes on business combinations.

CHANGES IN ACCOUNTING POLICIES/CORRECTIONS

IAS 19 – EMPLOYEE BENEFITS (REVISED 2011, IAS 19R)

As of January 1, 2013, the HUGO BOSS Group adopted IAS 19, Employee Benefits (revised 2011, IAS 19R), which the IASB published in June 2011. The standard is effective for fiscal years beginning on or after January 1, 2013. The standard was applied retroactively. The amendment was endorsed by the EU into European law in June 2012. The following amendments of IAS 19R have an effect on the net assets, financial position and results of operations of the HUGO BOSS Group:

IAS 19R replaces the interest cost and expected return on plan assets with a net interest amount. This is calculated by multiplying the net pension obligation with the discount rate underlying the measurement of the defined benefit obligation (DBO). The net interest on the net defined benefit liability (asset) comprises the return on plan assets and the interest cost on the DBO. The difference between the return on plan assets and the actual return on plan assets is recognized in the consolidated statement of comprehensive income under other comprehensive income.

IAS 19R also clarifies the term of risk sharing between employee and employer. This clarification has an effect on the calculation of pension obligations of benefit plans with future employee contributions effectively increasing over the remaining service period. This mainly relates to pension plans that allow a higher level of benefit increase in later years. The former IAS 19 provided for a calculation of the total obligations including future employee-funded benefit increases. In accordance with IAS 19R, the allocation of vested benefits is calculated on the basis of the net obligation excluding the future employee-funded benefit increases. This led to a reduction in the DBO and the service cost was distributed differently over the service period.

A smaller effect results from the recognition of administration expenses upon rendering the service that are unrelated to the administration of plan assets.

The recognition of non-vested past service cost as incurred instead of recognizing it over the vesting period does not affect the HUGO BOSS Group.

Similarly, the elimination of the corridor method does not result in any need to make adjustments at HUGO BOSS.

The new regulation to recognize top-up amounts for phased retirement agreements also results in a change in the recognition and classification of expenses. Previously, top-up amounts were immediately accrued in full upon concluding a contract for a phased retirement agreement and classified as termination benefits. The regulations of IAS 19R clarify that top-up amounts no longer represent severance payments but instead employees gain the right to the top-up through their work. As a result, the provision accrues over the vesting period. This resulted in a reduction in the provision for top-up amounts previously recognized in full as well as an accrual over the vesting period of the phased retirement arrangement.

The retrospective adoption of IAS 19R has the following effect on the opening statement of financial position as of January 1, 2012, as well as the prior-year period:

(in EUR thousand)

	Dec. 31, 2012			1. Jan. 2012		
	Before adjustment	Adjustment	After adjustment	Before adjustment	Adjustment	After adjustment
Assets	**1,584,518**	**(244)**	**1,584,274**	**1,425,866**	**(126)**	**1,425,740**
thereof deferred tax assets	66,974	(244)	66,730	56,086	(126)	55,960
Current liabilities	**794,523**	**(310)**	**794,213**	**470,291**	**(63)**	**470,228**
thereof current provisions	90,270	(310)	89,960	89,822	(63)	89,759
Non-current liabilities	**152,088**	**(699)**	**151,389**	**432,338**	**(282)**	**432,056**
thereof non-current provisions	55,188	(699)	54,489	40,880	(282)	40,598
Group equity	**637,907**	**765**	**638,672**	**523,238**	**219**	**523,457**
thereof retained earnings	286,208	792	287,000	206,944	219	207,163
thereof net income	311,520	(40)	311,480	291,362	0	291,362
thereof other comprehensive income	5,406	13	5,419	12,068	0	12,068

The retrospective application of IAS 19R had only an immaterial effect on the consolidated income statement and the statement of comprehensive income in fiscal year 2013 as well as in the comparative period 2012. The effects as of December 31, 2013 were similar in magnitude to those seen in the prior year. The effect on earnings per share from the change in accounting policy in the fiscal year 2012 is less than EUR 0.01. The retrospective application of IAS 19R led to immaterial reclassifications within cash flow from operating activities. However, the retrospective application did not have any impact on cash inflows and outflows.

DEFINITION AND DELIMITATION OF COSTS OF CONVERSION

To adequately present in the income statement the optimization of the organizational structure that commenced in the summer of 2012 and the calculation of the costs of conversion of inventories, production and labor overheads that had previously been included in the costs of conversion of inventories were reassessed in the reporting period.

As of 2013, all costs that cannot be directly allocated to the production process are no longer included in the costs of conversion of inventories but instead expensed as incurred. This concerns in particular the development costs pertaining to the first and second phases of the collection creation process reported under administration expenses (design and pattern development).

The cost of technical product development in the third phase of the collection creation process that can be allocated to products ready for series production and thus qualify as product-related costs together with the overhead costs incurred by the product implementation and procurement units are still proportionately included in the calculation of the cost of finished goods and work in process. As of 2013, these are included in cost of sales.

The calculation of production cost is restated retrospectively in accordance with requirements of IAS 8.42. The retrospective restatement has the following effect on the opening statement of financial position as of January 1, 2012, as well as the prior-year period:

(in EUR thousand)

	Dec. 31, 2012			Jan. 1, 2012		
	Before adjustment	Adjustment	After adjustment	Before adjustment	Adjustment	After adjustment
Assets	**1,584,518**	**(7,104)**	**1,577,414**	**1,425,866**	**(6,179)**	**1,419,687**
thereof inventories	430,297	(9,137)	421,160	457,913	(7,726)	450,187
thereof deferred tax assets	66,974	2,033	69,007	56,086	1,547	57,633
Group equity	**637,907**	**(7,104)**	**630,803**	**523,238**	**(6,179)**	**517,059**
thereof retained earnings	286,208	(6,179)	280,029	206,944	(6,179)	200,765
thereof net income	311,520	(903)	310,617	291,362	0	291,362
thereof other comprehensive income	(5,195)	(22)	(5,217)	(9,478)	0	(9,478)

In addition, as of reporting year 2013, direct selling expenses are reported in selling and distribution expenses. Direct selling expenses contain sales-linked commission, freight out, customs costs and credit card charges and are thus special direct selling costs, which links them directly to the Company's sales performance.

Also reallocated were the costs incurred by the function within procurement designed to continually optimize the supplier structure. As of 2013, the costs of the pertinent specialist departments are allocated to general administrative expenses.

In addition, as of fiscal year 2013, other operating expenses/income are no longer reported in the line item "administrative expenses and operating expenses/income", but rather in a separate line item of the income statement.

In accordance with the requirements of IAS 8.42, the disclosures were retrospectively restated in line with the presentation in the reporting period. The restated presentation affected the prior-year income statement as follows:

(in EUR thousand)

	2012		
	Before adjustment	Adjustment	After adjustment
Gross profit	**1,453,245**	**(9,189)**	**1,444,056**
Selling and distribution expenses	**(808,868)**	**16,976**	**(791,892)**
thereof direct selling expenses	0	(43,471)	(43,471)
thereof logistics expenses	(126,172)	60,447	(65,725)
Administration expenses	**(211,176)**	**(5,011)**	**(216,187)**
thereof general administrative expenses	(143,301)	(16,208)	(159,509)
thereof research and development costs	(63,712)	7,033	(56,679)
Other operating income and expenses	**0**	**(4,163)**	**(4,163)**
Income taxes	**(98,109)**	**484**	**(97,625)**
Consolidated net income	**311,520**	**(903)**	**310,617**

Through the retrospective correction of the delimitation of costs of conversion of inventories, earnings per share for fiscal year 2012 decreased by EUR 0.01 to EUR 4.44. The retrospective correction in connection with the new delimitation of costs of conversion of inventories led to immaterial reclassifications within cash flow from operating activities. However, the retrospective correction did not have any impact on cash inflows and outflows. The retrospective correction of the delimitation of costs of conversion of inventories also led to changes in segment profits of the operating segments.

BUSINESS COMBINATIONS

In fiscal year 2013, the HUGO BOSS Group took over a total of ten stores and the associated assets in asset deals from former franchise partners in Australia, the United States and Singapore. In addition, one store was taken over in France under a share deal. The takeovers are intended to support the expansion of the Group's own retail business.

The following overview shows the allocation of the purchase price to the acquired assets as well as the resulting goodwill:

(in EUR thousand)

	2013
Purchase consideration transferred	
Agreed purchase price	12,556
Liabilities incurred	(552)
Total purchase price	**12,003**
Fair value of the acquired assets and liabilities assumed	
Intangible assets	8,532
Property, plant and equipment	2,875
Inventories	1,870
Cash and cash equivalents	92
Other assets	254
Total assets	**13,622**
Financial liabilities	933
Trade payables	530
Other liabilities	728
Total liabilities	**2,191**
Goodwill	**572**

Control over the assets in each case was achieved through payment of the agreed purchase price.

In the case of stores acquired during the fiscal year, the acquisition was recognized based on the preliminary purchase price allocation which is finalized within twelve months of the acquisition date in each case.

As part of the purchase price allocations, intangible assets were identified on a preliminary basis in the form of reacquired rights. These are rights to use the HUGO BOSS brand name which HUGO BOSS had granted to the respective franchise partners for the respective stores under franchise agreements. The reacquired franchise agreements were concluded at arm's length conditions.

Goodwill is attributable to Asia and contains non-separable intangible assets and expected synergy effects. The goodwill is not expected to be tax deductible. In accordance with IAS 36, this is not amortized but is instead tested for impairment annually.

Total transaction costs amounted to EUR 301 thousand which were recognized immediately through profit or loss in the consolidated income statement.

As not all of the information needed for complete recognition of the business combination is available at present, a purchase price allocation was performed on a preliminary basis.

If the business combinations had taken place as of January 1, 2013, Group sales would have been EUR 7,596 thousand higher. The change in consolidated net income would have been immaterial.

The additional consolidated sales generated by the business combinations came to EUR 6,751 thousand in fiscal year 2013.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1| SALES

(in EUR thousand)

	2013	2012
Sale of goods	2,374,270	2,289,342
Royalties	57,863	56,512
TOTAL	**2,432,133**	**2,345,854**

2| COST OF SALES

(in EUR thousand)

	2013	2012[1]
Cost of purchase	737,734	786,817
Cost of conversion	62,597	63,709
Capitalized overheads	52,252	51,272
TOTAL	**852,583**	**901,798**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/Corrections", page 170).

Cost of purchase contains the cost of materials, which corresponds to the amount of inventories expensed in the fiscal year. The line item also includes freight-in and customs costs.

In fiscal year 2013, impairment losses on inventories and the reversal of impairment losses previously charged resulted in net income of EUR 9,509 thousand (2012: net expense of EUR 3,866 thousand). This is included in the cost of sales.

Capitalized overhead cost contains the cost of technical product development incurred in the third phase of the collection creation process together with the overhead costs incurred by the product implementation and procurement units.

3| SELLING AND DISTRIBUTION EXPENSES

(in EUR thousand)

	2013	2012[1]
Expenses for Group's own retail business, indirect sales and marketing organization	647,064	545,236
Marketing expenses	137,498	135,613
Logistic expenses	59,680	65,725
Direct Selling expenses	45,740	43,471
Bad debt allowances/losses	1,606	1,847
TOTAL	**891,588**	**791,892**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/Corrections", page 170).

The expenses for the Group's own retail business and indirect sales and marketing organization mostly relate to personnel and rental expenses for wholesale distribution and retail services.

The marketing expenses comprise expenses of EUR 154,283 thousand (2012: EUR 152,040 thousand) and income from the allocation of marketing expenses of EUR 16,785 thousand (2012: EUR 16,427 thousand). Income from the allocation of marketing expenses mainly contains costs for the allocation of the cost of store fittings, marketing materials and advertising and sponsorship activities.

In total, selling and distribution expenses contain other taxes of EUR 2,834 thousand (2012: EUR 2,878 thousand).

Selling expenses primarily contains sales-based commission, freight-out and customs costs as well as credit card charges.

4| ADMINISTRATION EXPENSES

(in EUR thousand)

	2013	2012[1]
General administrative expenses	169,835	159,283
Research and development costs	58,683	56,679
TOTAL	**228,518**	**215,962**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/Corrections", page 170).

Administration expenses primarily comprise rent for premises, maintenance expenses, IT operating expenses and legal and consulting fees as well as personnel expenses in these functions.

Research and development costs in the HUGO BOSS Group primarily relate to the creation of collections. Total expenditure on research and development of EUR 58,683 thousand (2012: EUR 56,679 thousand) breaks down as follows: personnel expenses of EUR 40,447 thousand (2012: EUR 39,526 thousand) amortization of EUR 1,675 thousand (2012: EUR 1,673 thousand), and other operating expenses of EUR 16,561 thousand (2012: EUR 15,480 thousand).

Significant income was generated in the area of administration expenses by cross-charging of other costs and services amounting to EUR 6,629 thousand (2012: EUR 9,216 thousand) and from the reversal of provisions EUR 11,360 thousand (2012: EUR 3,581 thousand).

In total, administration expenses contain other taxes of EUR 2,677 thousand (2012: EUR 2,545 thousand).

5| OTHER OPERATING EXPENSES AND INCOME

In fiscal year 2013, other operating expenses and income led to a net expense of EUR 3,291 thousand. This essentially relates to the organizational adjustments made in Europe. In the prior year, the net expense of EUR 4,163 thousand was attributable to the simplification of the brand structures and the bundling of creative areas under the BOSS brand.

Other operating expenses and income include income of EUR 381 thousand (2012: EUR 3,683 thousand). Of this amount, EUR 270 thousand stems from the deconsolidation of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG. As in the prior year, the remaining income of EUR 111 thousand is largely attributable to the reversal of provisions.

6| FINANCIAL RESULT

(in EUR thousand)

	2013	2012[1]
Interest income on bank deposit	539	1,400
Other interest income	1,455	1,259
Interest income	**1,994**	**2,659**
Interest expenses from financial liabilities	(10,013)	(18,761)
Other interest expenses	(6,409)	(1,919)
Interest expense	**(16,422)**	**(20,680)**
Net interest income/expense	**(14,428)**	**(18,021)**
Exchange rat gains/losses from receivable and liabilitites	(19,027)	(6,680)
Gains/losses from hedging transactions	10,449	4,169
Other financial expenses/income	319	(3,315)
Other financial items	**(8,259)**	**(5,826)**
Financial result	**(22,687)**	**(23,847)**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/Corrections", page 170).

The interest expense from financial liabilities contain expenses in connection with interest rate swaps amounting to EUR 5,791 thousand (2012: EUR 13,086 thousand). Other interest expenses contain the net interest amount from pension provisions as well effects from the measurement of other non-current provisions at present value amounting to EUR 2,865 thousand (2012: EUR 1,919 thousand). In addition, the other interest expenses item contains interest on non-financial liabilities such as tax liabilities. The prior-year figure was adjusted in connection with the amendments to IAS 19.

The exchange rate losses from receivables and liabilities comprise exchange rate gains of EUR 21,468 thousand (2012: EUR 16,301 thousand) and exchange rate losses of EUR 40,495 thousand (2012: EUR 22,981 thousand). The result from hedging transactions contains the effects from the fair value measurement of foreign exchange forwards and swaps.

7 | INCOME TAXES

(in EUR thousand)

	2013	2012[1]
Current taxes	122,332	110,688
Deferred taxes	(22,225)	(13,072)
TOTAL	**100,107**	**97,616**

[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 (for more details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

Income taxes report corporate income tax plus solidarity surcharge and trade tax of German Group companies together with the comparable income taxes of foreign group companies.

At HUGO BOSS AG, the domestic income tax rate still comes to 28.0% (2012: 28.0%). As in the prior year, the tax rates abroad range between 0% and 40%.

In fiscal year 2013, current income taxes include expenses relating to other periods amounting to EUR 16,181 thousand (2012: EUR 809 thousand). These include expenses relating to the recognition of provisions for risks from the tax field audit for the years 2007 through 2011 including subsequent effects. This is counterbalanced by income relating to other periods of EUR 760 thousand (2012: EUR 4,106 thousand).

Deferred taxes are calculated based on the tax rates enacted or substantively enacted by the reporting date that apply or are expected to apply in the countries concerned at the time of realization.

The following table presents a reconciliation of the expected income tax expense that would be theoretically incurred if the current domestic income tax rate of 28.0% (2012: 28.0%) were applied at a Group level to the current income tax expense reported by the Group. The domestic income tax rate applied takes into account a corporate income tax rate (including solidarity surcharge) of 15.8% (2012: 15.8%) and a trade tax rate of 12.2% (2012: 12.2%).

(in EUR thousand)

	2013	2012[1]
Pre-tax result	**433,466**	**408,192**
Anticipated income tax	121,371	114,294
Tax effect of permanent items	(4,107)	2,022
Tax rate-related deviation	(19,342)	(19,066)
Thereof effects of changes in tax rates	1,076	(128)
Thereof effects of addback deduction for local taxes	(6,993)	(6,743)
Thereof adjustment of tax amount to diverging local tax rate	(13,425)	(12,195)
Tax refund/back taxes	15,421	(3,296)
Deferred tax effects from prior years	(6,087)	0
Valuation allowance on deferred tax assets	(8,070)	2,752
Tax effects from distributable profit of subsidiaries	1,696	657
Other deviations	(775)	253
Income tax expenditure reported	**100,107**	**97,616**
Income tax burden	23 %	24 %

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

The income tax burden was reduced by tax free income of EUR 2,163 thousand (2012: EUR 1,164 thousand). The opposite tax effects as a result of the non-deductible business expenses come to EUR 5,074 thousand (2012: EUR 2,966 thousand), while other permanent effects stand at EUR 7,019 thousand (2012: EUR 220 thousand).

Tax effects from the addback/deduction for local taxes amounting to EUR 6,993 thousand (2012: EUR 6,743 thousand) stem for the most part from the requirements on trade tax additions and deductions for the calculation of the trade tax assessment basis.

Additional deviations related to the tax rate amounting to EUR 13,425 thousand (2012: EUR 12,195 thousand) are attributable to the difference between the nominal income tax rate of 28% in Germany and the effective tax rates abroad.

In addition to the effects from the origination or reversal of temporary differences between carrying amounts in the consolidated financial statements and the tax bases, the deferred tax expense includes expenses from the impact of changes in tax rates of EUR 1,076 thousand (2012: income of EUR 128 thousand).

Deferred tax income from prior years of EUR 6,087 thousand was recognized in fiscal year 2013 (2012: EUR 0 thousand). This is mainly attributable to the derecogntion of deferred tax liabilities and the recognition of deferred tax assets attributable to corrections in prior years.

Other comprehensive income includes deferred taxes amounting to EUR 924 thousand (2012: EUR 601 thousand). Of this amount, EUR 1,487 thousand (2012: EUR 2,722 thousand) is attributable to the recognition directly in equity of fluctuations in the fair value of derivatives designated to hedging relationships and income of EUR 563 thousand (2012: income of EUR 2,121 thousand) from the recognition of actuarial gains and losses from provisions for pensions in equity.

Deferred tax assets and liabilities are presented on a net basis if they pertain to the same taxable entity and the same taxation authority. Deferred taxes in the consolidated statement of financial position are relate to the following items:

(in EUR thousand)

	2013		2012[1]	
	Deferred tax assets	**Deferred tax liabilities**	Deferred tax assets	Deferred tax liabilities
Provisions and other liabilities	33,375	(99)	30,352	(54)
Unused tax losses	23,070	0	26,719	0
Inventory measurement	39,835	(3,298)	43,355	(2,998)
Recognition and measurement of non-current assets	9,922	(16,878)	7,426	(19,356)
Receivables measurement	4,842	(2,153)	5,991	(300)
Market valuation of financial instruments	1,793	(5,121)	435	(9,627)
Retained earnings of subsidiaries	0	(7,334)	0	(5,824)
Other differences in recognition and measurement	132	(1,507)	3,060	(3,182)
	112,969	**(36,390)**	**117,338**	**(41,341)**
Impairments[2]	(13,348)	0	(26,872)	0
Netting	(18,928)	18,928	(21,703)	21,703
TOTAL	**80,693**	**(17,462)**	**68,763**	**(19,638)**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

[2] Including unrecognized unused tax losses.

Deferred tax assets are recognized for all deductible temporary differences, unused tax credits and unused tax losses and interest carryforwards, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the unused tax credits and unused tax losses and interest carryforwards can be utilized.

Of the deferred tax assets, EUR 29,111 thousand (2012: EUR 27,199 thousand) are non-current, while EUR 28,441 thousand (2012: EUR 30,855 thousand) of the deferred tax liabilities are non-current. The full amount is reported as non-current in the statement of financial position.

If there is uncertainty as to their future recoverability, deferred taxes on unused tax losses and temporary differences are not recognized or are written down. Such write-downs are determined by taking into account all positive and negative factors influencing the generation of sufficient future profit.

Deferred taxes were written down by EUR 12,775 thousand (2012: EUR 21,629 thousand) due to unused tax losses that are not expected to be usable in the future and by EUR 573 thousand (2012: EUR 5,243 thousand) due to temporary differences.

Distributable profits at foreign subsidiaries are to be paid out in the coming years, partly to Germany. The tax expense attributable to the distribution amounting to EUR 1,200 thousand (2012: EUR 1,200 thousand) was recognized as a deferred tax liability. In addition, deferred taxes were recognized for distributable profits from subsidiaries paid out to other subsidiaries to the extent that withholding tax is payable on future dividends. Deferred tax liabilities of EUR 6,134 thousand (2012: EUR 4,624 thousand) were recognized for these withholding tax expenses.

Further deferred tax liabilities were not recognized on distributable profits at subsidiaries amounting to EUR 509,582 thousand (2012: EUR 503,817 thousand) as the present intention is to permanently reinvest these profits. If the profits were to be distributed in Germany, 5% would be subject to taxation in Germany or possibly trigger withholding tax in other countries. Distributions thus as a rule lead to an added tax expense. Estimation of unrecognized deferred tax liabilities on undistributed profits would require an unreasonable effort.

Unused income tax losses mainly pertain to foreign Group companies and break down as follows:

(in EUR thousand)

	2013	2012
Expiry within		
1 year	2,222	2,830
2 years	8,687	1,091
3 years	1,082	444
4 years	8,366	1,395
5 years	7,123	47,386
After 5 years	33,544	23,551
unlimited carryforward	14,844	9,898
TOTAL	**75,868**	**86,595**

As in prior fiscal years, a corresponding deferred tax asset of EUR 10,295 thousand was recognized on unused tax losses as of December 31, 2013 (2012: EUR 5,090 thousand). In fiscal year 2013, no deferred taxes were recognized on unused tax losses of EUR 43,260 thousand (2012: EUR 70,893 thousand).

8| NON-CONTROLLING INTERESTS IN CONSOLIDATED NET INCOME

The consolidated financial statements include companies in which HUGO BOSS AG has a shareholding that is less than 100%. In accordance with IAS 27, non-controlling interests are reported in the statement of financial position within equity, separately from equity attributable to equity holders of the parent company. Net income attributable to non-controlling interests is likewise reported separately in the consolidated income statement.

9| EARNINGS PER SHARE

In accordance with IAS 33, earnings per share is determined by dividing earnings attributable to the equity holders of the parent company by the weighted average number of shares outstanding during the fiscal year.

The stock option program did not have any dilutive effect in the reporting period presented. The participation rights from the stock appreciation rights program can only be settled in cash and do not entitle the holder to any HUGO BOSS AG shares. No stock appreciation rights remained as of December 31, 2013.

There were no shares outstanding that could have diluted earnings per share as of December 31, 2013, or December 31, 2012.

(in EUR thousand)

	2013	2012[1]
Net income attributable to equity holders of the parent company	328,965	306,450
Average number of shares outstanding[2]	69,016,167	69,016,167
Earnings per share (EPS) in EUR[3]	4.77	4.44

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).
[2] Not including own shares.
[3] Basic and diluted earnings per share.

10| ADDITIONAL DISCLOSURES TO THE CONSOLIDATED INCOME STATEMENT

PERSONNEL EXPENSES

(in EUR thousand)

	2013	2012[1]
Cost of sales and direct selling expenses	84,354	83,159
Selling and distribution expenses	267,817	239,068
Administrative expenses	128,650	125,037
Other operating expenses/income	2,244	2,844
TOTAL	**483,065**	**450,108**

[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 (for details see Notes to the consolidated financial statements, „Changes in accounting policies/corrections", page 170).

The other items in fiscal year 2013 amounting to EUR 2,244 thousand mainly relate to the organizational adjustments made in Europe.

The special effects in fiscal year 2012 amounting to EUR 2,844 thousand mainly relate to expenses in connection with termination benefits as a result of the simplification of brand structures and the bundling of creative areas under the BOSS core brand.

(in EUR thousand)

	2013	2012[1]
Wages and salaries	411,383	385,321
Social security	65,837	60,466
Expenses and income for retirement and other employee benefits	5,845	4,321
TOTAL	**483,065**	**450,108**

[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 (for details see Notes to the consolidated financial statements, „Changes in accounting policies/corrections", page 170).

Employees as of December 31:

	2013	2012
Industrial employees	4,234	4,303
Commercial and administrative employees	8,262	7,549
TOTAL	**12,496**	**11,852**

The headcount is determined based on the number of employees as of December 31 taking into account part-time employees on a pro rata basis.

Annual average headcount:

	2013	2012
Industrial employees	4,246	4,134
Commercial and administrative employees	7,779	7,169
TOTAL	**12,025**	**11,303**

AMORTIZATION AND DEPRECIATION

(in EUR thousand)

	2013	2012[1]
Cost of sales and direct selling expenses	5,461	5,242
Selling and distribution expenses	78,799	67,844
Administrative costs	21,002	18,850
TOTAL	**105,262**	**91,936**

[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 (for more details see notes to the Consolidated Financial Statements, "Changes in accounting policies/corrections", page 170).

Amortization of intangible assets and depreciation of property plant and equipment amount to EUR 105,262 thousand (2012: EUR 91,936 thousand). A breakdown of amortization and depreciation to the corresponding positions of the statement of financial position is presented in the following notes to the consolidated statement of financial position.

COST OF MATERIALS

In the past fiscal year, the cost of materials came to EUR 706,211 thousand (2012: EUR 714,687 thousand).

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

(in EUR thousand)

	Property, plant and equipment	Intangible assets	TOTAL
Cost of acquisition			
January 1, 2012	**684,883**	**221,616**	**906,499**
Change in the basis of consolidation	0	0	0
Currency translation effects	(3,876)	1,616	(2,260)
Additions	147,800	18,002	165,802
Disposals	(15,360)	(2,069)	(17,429)
Transfers	(6,527)	(1,137)	(7,664)
December 31, 2012	**806,920**	**238,028**	**1,044,948**
Change in the basis of consolidation	(55,567)	2,453	(53,114)
Currency translation effects	(20,390)	(4,253)	(24,643)
Additions	163,045	20,196	183,241
Disposals	(26,158)	(9,108)	(35,266)
Transfers	4,101	(8,363)	(4,262)
December 31, 2013	**871,951**	**238,953**	**1,110,904**
Amortization, depreciation and impairment			
January 1, 2012	**399,353**	**80,518**	**479,871**
Change in the basis of consolidation	0	0	0
Currency translation effects	(3,051)	(94)	(3,145)
Amortization and depreciation	64,501	16,868	81,369
Impairment	8,894	1,673	10,567
Disposals	(13,703)	(2,010)	(15,713)
Transfers	(6,528)	(1,137)	(7,665)
December 31, 2012	**449,466**	**95,818**	**545,284**
Change in the basis of consolidation	554	0	554
Currency translation effects	(12,825)	(911)	(13,736)
Amortization and depreciation	76,160	17,469	93,629
Impairment	10,644	989	11,633
Disposals	(23,503)	(6,500)	(30,003)
Transfers	2,873	(7,135)	(4,262)
December 31, 2013	**503,369**	**99,730**	**603,099**
Carrying amount December 31, 2013	**368,582**	**139,223**	**507,805**
Carrying amount December 31, 2012	**357,454**	**142,210**	**499,664**

Land charges in connection with land and buildings amount to EUR 45,019 thousand (2012: EUR 47,079 thousand).

11| INTANGIBLE ASSETS

(in EUR thousand)

	Software, patents and licenses[1]	Brand rights	Key Money	Internally developed Software	Goodwill	**TOTAL**
Cost of acquisition						
January 1, 2012	**137,242**	**14,992**	**26,684**	**5,603**	**37,095**	**221,616**
Change in the basis of consolidation	0	0	0	0	0	0
Currency translation effects	12	0	(262)	0	1,866	1,616
Additions	14,184	0	3,818	0	0	18,002
Disposals	(1,900)	0	(169)	0	0	(2,069)
Transfers	(2,991)	0	1,854	0	0	(1,137)
December 31, 2012	**146,547**	**14,992**	**31,925**	**5,603**	**38,961**	**238,028**
Change in the basis of consolidation	(525)	0	2,978	0	0	2,453
Currency translation effects	(1,208)	0	(1,045)	0	(2,000)	(4,253)
Additions	19,444	0	218	0	534	20,196
Disposals	(5,956)	0	(3,152)	0	0	(9,108)
Transfers	(8,515)	0	152	0	0	(8,363)
December 31, 2013	**149,787**	**14,992**	**31,076**	**5,603**	**37,495**	**238,953**
Amortization/impairment						
January 1, 2012	**66,044**	**0**	**7,678**	**5,603**	**1,193**	**80,518**
Change in the basis of consolidation	0	0	0	0	0	0
Currency translation effects	(77)	0	(4)	0	(13)	(94)
Amortizazion	14,854	0	2,014	0	0	16,868
Impairment	160	0	1,513	0	0	1,673
Disposals	(1,841)	0	(169)	0	0	(2,010)
Transfers	(2,991)	0	1,854	0	0	(1,137)
December 31, 2012	**76,149**	**0**	**12,886**	**5,603**	**1,180**	**95,818**
Change in the basis of consolidation	0	0	0	0	0	0
Currency translation effects	(495)	0	(369)	0	(47)	(911)
Amortizazion	15,554	0	1,915	0	0	17,469
Impairment	30	0	959	0	0	989
Disposals	(5,531)	0	(969)	0	0	(6,500)
Transfers	(7,071)	0	(64)	0	0	(7,135)
December 31, 2013	**78,636**	**0**	**14,358**	**5,603**	**1,133**	**99,730**
Carrying amount December 31, 2013	**71,151**	**14,992**	**16,718**	**0**	**36,362**	**139,223**
Carrying amount December 31, 2012	**70,398**	**14,992**	**19,039**	**0**	**37,781**	**142,210**

[1] And similar rights and licenses.

The item software, patents and licenses mainly contains software and software licenses as well as intangible assets identified in the course of purchase price allocations.

SOFTWARE AND SOFTWARE LICENSES

The Columbus IT project launched in fiscal year 2003 led to the acquisition of new software covering all areas of enterprise resource management. This affected systems for procurement, production management, logistics, distribution and financial systems (worldwide). Over the full duration of the project, intangible assets totaling EUR 68,223 thousand (2012: EUR 65,037 thousand) were capitalized in connection with Columbus for the ERP system, comprising the industry solution SAP AFS and SAP Retail for the company's own retail business. Of this total cost, EUR 42,883 thousand had already been amortized as of the reporting date (2012: EUR 34,472 thousand). The remaining amortization period is a further 3.0 years. Apart from the aforementioned software, other software licenses totaling EUR 26,670 thousand (2012: EUR 22,228 thousand) are included, whose remaining amortization period is 6.6 years. The disposals from the change in the basis of consolidation stems from the deconsolidation of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG. Additional disclosures on deconsolidated entities are presented in the section “Changes in basis of consolidation”.

INTANGIBLE ASSETS FROM PURCHASE PRICE ALLOCATIONS

In addition, the line item software, patents and licenses contains intangible assets from purchase price allocations. As part of the acquisition accounting of the joint venture entities in the fiscal year 2010, some of the items capitalized included business licenses and franchise agreements that had a net carrying amount of EUR 12,475 thousand as of December 31, 2013 (2012: EUR 13,774 thousand) and a remaining amortization period of 11.5 years. The franchise agreements identified as part of the purchase price allocation of the mono-brand stores of the franchise partner Moss Bros in Great Britain in 2011 are reported at a net carrying amount of EUR 1,760 thousand as of the reporting date (2012: EUR 3,831 thousand). The remaining amortization period is a further 1.1 years. The franchise agreements identified in fiscal year 2013 are presented in the section “Business combinations”.

BRAND RIGHTS

The reported brand rights amounting to EUR 14,992 thousand (2012: EUR 14,992 thousand), which are primarily attributable to the rights for the use of the brand names BOSS, HUGO and HUGO BOSS in the United States, are also classified as assets with indefinite useful lives.

KEY MONEY

Key money totaling EUR 16,718 thousand (2012: EUR 19,039 thousand) was recognized as of the reporting date. Of that amount, EUR 5,776 thousand (2012: EUR 6,872 thousand) pertains to key money with an indefinite useful life and EUR 10,942 thousand (2012: EUR 12,167 thousand) to key money with a finite useful life. At present, key money with an indefinite useful life only concerns France at EUR 5,776 thousand (2012: EUR 3,330 thousand); the increase is largely due to additions due a change in the basis of consolidation in connection with a business combination. The key money with an indefinite useful life for a retail store location in Denmark had been written off in full as of the reporting date. Key money with a finite useful life primarily concerns Switzerland, Brazil and Australia. An amortization period of 5.7 years remains.

Further information on the impairment losses can be found in in Note 13.

12| PROPERTY, PLANT AND EQUIPMENT

(in EUR thousand)

	Lands and buildings	Technical equipment and machinery	Other equipment, operating and office equipment	Construction in progress	TOTAL
Cost of acquisition					
January 1, 2012	**223,374**	**83,799**	**371,503**	**6,207**	**684,883**
Change in the basis of consolidation	0	0	0	0	0
Currency translation effects	(1,354)	(68)	(2,462)	8	(3,876)
Additions	36,045	4,096	84,320	23,339	147,800
Disposals	(1,281)	(861)	(13,121)	(97)	(15,360)
Transfers	(157)	111	(1,762)	(4,719)	(6,527)
December 31, 2012	**256,627**	**87,077**	**438,478**	**24,738**	**806,920**
Change in the basis of consolidation	(17,849)	0	1,071	(38,789)	(55,567)
Currency translation effects	(5,629)	(413)	(14,235)	(113)	(20,390)
Additions	25,351	3,754	100,968	32,972	163,045
Disposals	(3,923)	(1,812)	(20,423)	0	(26,158)
Transfers	8,127	19	9,440	(13,485)	4,101
December 31, 2013	**262,704**	**88,625**	**515,299**	**5,323**	**871,951**
Depreciation/impairment					
January 1, 2012	**101,169**	**60,172**	**238,011**	**1**	**399,353**
Change in the basis of consolidation	0	0	0	0	0
Currency translation effects	(883)	(74)	(2,094)	0	(3,051)
Depreciation	12,805	5,339	46,356	1	64,501
Impairment	3,437	106	5,351	0	8,894
Disposals	(1,274)	(827)	(11,602)	0	(13,703)
Transfers	(11)	(814)	(5,701)	(2)	(6,528)
December 31, 2012	**115,243**	**63,902**	**270,321**	**0**	**449,466**
Change in the basis of consolidation	0	0	554	0	554
Currency translation effects	(3,130)	(404)	(9,291)	0	(12,825)
Depreciation	15,069	5,084	56,007	0	76,160
Impairment	(380)	0	11,024	0	10,644
Disposals	(3,238)	(1,619)	(18,646)	0	(23,503)
Transfers	0	0	2,870	3	2,873
December 31, 2013	**123,564**	**66,963**	**312,839**	**3**	**503,369**
Carrying amount December 31, 2013	**139,140**	**21,662**	**202,460**	**5,320**	**368,582**
Carrying amount December 31, 2012	**141,384**	**23,175**	**168,157**	**24,738**	**357,454**

Impairment losses of EUR 10,644 thousand (2012: EUR 8,894 thousand) were recognized on property, plant and equipment, which have been allocated to the corresponding functions in the consolidated income statement. Most of the impairment losses were recognized after impairment testing of property, plant equipment in connection with the Group's own retail business. Impairment losses on land and buildings comprise an impairment reversal of EUR 2,248 thousand (2012: EUR 0 thousand) and an impairment loss of EUR 1,868 thousand (2012: EUR 3,437 thousand). Further information on the impairment losses can be found in Note 13.

The changes to the basis of consolidation concern the deconsolidation of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG and the business combination in France, which are discussed in more detail in the section "Changes in the basis of consolidation".

13| IMPAIRMENT TESTING IN THE HUGO BOSS GROUP

Non-financial assets (property, plant and equipment and intangible assets including goodwill) are assessed at every reporting date as to whether there is an indication of impairment ("triggering events"). Irrespective of whether there is any indication of impairment, intangible assets with indefinite useful lives (key money and brand rights) and goodwill acquired in a business combination are tested for impairment annually. As of the reporting date December 31, 2013, the following non-current assets were tested for impairment in the course of annual impairment testing or in response to a triggering event:

- Depreciatied property, plant and equipment and amortized intangible assets at the Group's own retail stores level
- Other intangible assets with indefinite useful lives (key money)
- Brand rights with indefinite useful lives
- Goodwill

The assessment of impairment is based on detailed planning of results of operations, of the statement of financial position and of investments for all units of the Group prepared annually in the company-wide budget planning process, taking account of the current business situation. For periods beyond the planning horizon of the budget, a long-term growth rate is set to project future cash flows. The long-term growth rates used for this purpose are consistent with external sources of information. Investment and trade net working capital planning is based on budget planning data and is extrapolated on the basis of historical experience. The cost of capital for the HUGO BOSS Group determined using an after-tax WACC model that discounts all forecast cash flows in local currency, while factoring in both general market and country-specific risk mark-ups (sovereign risk mark-ups) as well as a currency risk mark-up (inflation risk mark-up). The after-tax cost of capital rate used as of December 31, 2013 is based on a risk-free interest rate of 2.75% (2012: 2.25%) and a market risk mark-up of 5.5% (2012: 6.0%).

DEPRECIATED PROPERTY, PLANT AND EQUIPMENT AND AMORTIZED INTANGIBLE ASSETS AT THE GROUP'S OWN RETAIL STORES LEVEL

In the HUGO BOSS Group, **the directly operated stores (DOS)** have been identified as a CGU, i.e., the smallest group of assets that can independently generate cash flows. Flagship stores are a particular type of directly operated store. Owing to their size and exclusivity, these have an impact on the HUGO BOSS brand image beyond their location and create sales incentives for other stores. Consequently, flagship stores do not constitute independent CGUs.

The DOS assets amortized or depreciated on a systematic basis are tested for impairment if there are indications or changes to planning assumptions suggesting that the carrying amount of the assets is not recoverable. For this purpose, after preparing the annual budget planning, HUGO BOSS conducts a triggering event test at DOS level. If defined year-on-year sales and profitability indicators are not reached, the non-current assets of the DOS in question are tested for impairment.

The recoverable amount of the DOS is determined by calculating the value in use based on a discounted cash flow method. The planned cash outflows from the bottom-up planning approved by management of HUGO BOSS AG is used for this purpose. The forecast period is derived based on the expected useful lives for all DOSs and is reassessed annually. After the bottom-up planning, the values for the remaining useful lives are determined based on sales and cost developments specific to each country and CGU. The growth rates used for this purpose are based on the nominal, expected retail growth in each respective market for the corresponding planning year. Single-digit growth rates were thus determined for most DOSs. Low double-digit growth rates were determined for some emerging markets. At the end of the residual useful life, it is assumed that the respective DOS is wound up and that sales proceeds are obtained equivalent to the residual value of the operating assets. In the calculation of the value in use of the DOS, cash flows were discounted using a weighted average cost of capital of between 4.5% and 16.5% (2012: between 6.6% and 24.7%).

DOS impairment testing in the past fiscal year resulted in impairment losses of EUR 13,178 thousand (2012: EUR 7,036 thousand), which were immediately recognized in the income statement under selling and distribution expenses. In response to negative developments in the profitability of individual locations, impairment losses had to be recognized on the non-current assets of certain DOSs following impairment testing. The increase is primarily attributable to retail store locations in Europe. Impairment losses in the Americas and in Asia/Pacific were slightly up on the prior-year level.

GOODWILL AND INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE

The following table presents the main assumptions underlying the calculation of the value in use of the goodwill and intangible assets with indefinite useful lives assigned to each group of CGUs:

(in EUR thousand)

	Carrying amount		Assumptions	
	Goodwill	**Intangible assets with indefinite useful life**	**WACC**	**Long-term growth rate**
2013				
Europe	**259**	**5,776**	**8.1 – 8.6 %**	**2.8 – 4.1 %**
Sales unit UK – various DOS from takeover Moss Bros Group PLC	259	0	8.6 %	4.1 %
Key money France – various DOS	0	5,776	8.1 %	2.8 %
Key Money Denmark – one DOS	0	0	7.7 %	1.9 %
Asia/Pacific	**17,399**	**0**	**8.0 – 9.8 %**	**4.1 – 6.0 %**
„Joint-Venture“- sales unit Shenzhen	4,219	0	9.8 %	6.0 %
„Joint-Venture“- sales unit Macao	5,214	0	8.0 %	4.1 %
Sales unit Australia	7,782	0	9.4 %	4.9 %
Sales unit Singapore – various DOS	184	0	8.2 %	4.2 %
Royalties	**0**	**14,992**	**8.4 – 10.7 %**	**1.6 – 4.1 %**
Brand rights U.S.A.	0	13,615	8.4 %	4.1 %
Brand rights Italy	0	1,377	10.7 %	1.6 %
Corporate Units	**18,710**	**0**	**10.7 %**	**1.9 %**
Business unit shoes and leather accessories	18,710	0	10.7 %	1.9 %
TOTAL	**36,368**	**20,768**	**8.1 – 10.7 %**	**1.6 – 6.0 %**
2012				
Europe	**265**	**3,330**	**7.5 – 8.6 %**	**1.9 – 4.1 %**
Sales unit UK – various DOS from takeover Moss Bros Group PLC	265	0	8.0 %	4.1 %
Key money France – various DOS	0	3,330	8.6 %	2.8 %
Key money Denmark – one DOS	0	0	7.5 %	1.9 %
Asia/Pacific	**18,807**	**0**	**9.6 – 10.0 %**	**4.0 – 5.7 %**
„Joint-Venture“- sales unit Shenzhen	4,295	0	10.0 %	5.7 %
„Joint-Venture“- sales unit Macao	5,445	0	9.6 %	4.0 %
Sales unit Australia	9,066	0	9.7 %	5.0 %
Royalties	**0**	**14,992**	**7.8 – 13.3 %**	**1.6 – 4.2 %**
Brand rights U.S.A.	0	13,615	7.8 %	4.2 %
Brand rights Italy	0	1,377	13.3 %	1.6 %
Corporate Units	**18,710**	**0**	**13.3 %**	**1.6 %**
Business unit shoes and leather accessories	18,710	0	13.3%	1.6%
TOTAL	**37,781**	**18,322**	**7.5 – 13.3 %**	**1.6 – 5.7 %**

In the table, **goodwill** was allocated to Europe and Asia/Pacific and linked to the corporate units and the relevant CGU. The acquisition of the mono-brand stores in fiscal year 2011 from Moss Bros Group PLC, the most important franchise partner in Great Britain, gave rise to goodwill that is allocable to the sales unit UK. In Asia/Pacific, goodwill acquired in business combinations stems from the acquisition of the shares in the joint venture sales units Lotus (Shenzhen) Commerce Limited and Lotus Concept Trading (Macau) Co., Ltd. in fiscal year 2010. Goodwill from the acquisition of shares in the Australia sales unit in 2002 as well as the takeover of a retail store operated by a franchise partner in 2013 are allocated to the Australia sales unit. Goodwill also arose in fiscal year 2013 from the takeover of a franchise partner in Singapore. The goodwill allocated to the corporate units results from the acquisition of shares in the companies of the shoes and leather accessories business unit in fiscal year 2004.

The table presents the combined **intangible assets with indefinite useful lives** for all countries in Europe. The key money with an indefinite useful life is allocable to various retail locations in the markets France and Denmark; viewed individually, these are not material. Brand rights for the use of the brands, mainly for the U.S. and Italian markets, are allocated to the royalties segment.

The procedure used to assess the recoverability of goodwill and intangible assets with indefinite useful lives at CGU level is presented below:

OTHER INTANGIBLE ASSETS WITH AN INDEFINITE USEFUL LIFE (KEY MONEY)

Key money with an indefinite useful life paid in connection with the conclusion of a rental agreement is tested for impairment once a year or if there are indications of impairment. The recoverable amount of the CGU is determined with the assistance of external appraisals that calculate either the fair value less costs to sell or the value in use using discounted cash flow models.

For DOS to which key money with an indefinite useful life was allocated, impairment losses of EUR 605 thousand was recognized in fiscal year 2013 based on the calculation of fair value by external experts (2012: EUR 240 thousand). In 2013, this mainly concerns the key money of two DOS in France, caused by the change in the local real estate market.

BRAND RIGHTS WITH AN INDEFINITE USEFUL LIFE

The brand rights with an indefinite useful life are primarily attributable to rights acquired in 1997 for the use of the brands BOSS, HUGO and HUGO BOSS in the United States and the brand rights acquired in Italy. The indefinite useful life stems from the estimate of an indefinite use of the registered brand name.

The recoverable amount of brand rights with an indefinite life is determined based on fair value less costs to sell. This is based on a sales forecast for the respective market approved by management as part of the budget process. Country-specific sales growth rates are also used. After the five-year detailed planning phase, planned sales are extrapolated using a growth rate ranging between 1.6% and 4.1% (2012: between 1.6% and 4.2%). The growth rate corresponds to the long-term nominal retail growth in each market. Depending on the intangible assets being measured, the after-tax cost of capital used ranges between 8.4% and 10.7% (2012: between 7.8% and 13.3%).

No impairment losses were recognized on the brand rights with indefinite useful lives in fiscal years 2013 and 2012.

GOODWILL

The recoverable amount of the respective CGUs was derived from the value in use determined using cash flow projections based on financial budgets approved by management. Restructuring to which the Group has not yet committed to and investment to improve or enhance the earnings power of the tested CGU that is not allocable to current business operations are not taken into account. After the detailed planning phase, country-specific sales growth rates derived from normal retail growth are used. The last planning year is extrapolated at the long-term growth rate, which ranges between 1.9% and 6.0% (2012: between 1.6% and 5.7%). Depending on the goodwill being measured, the after-tax cost of capital used ranges between 8.2% and 10.7% (2012: between 9.6% and 13.3%).

As in the prior year, no impairment losses were recognized on any goodwill in fiscal year 2013.

OTHER IMPAIRMENTS

Apart from the above, impairment losses of EUR 99 thousand were recognized on non-current assets due to the planned closure of individual DOSs (2012: EUR 3,291 thousand). In the prior year, an impairment loss of EUR 2,248 thousand was recognized on a warehouse logistics property.

KEY ASSUMPTIONS USED IN VALUE IN USE CALCULATIONS

The following key assumptions, estimation uncertainty and judgments by management underlie the calculation of the value in use of the aforementioned assets:

- Nominal, long-term retail growth
- Gross profit margin
- Fixed cost trend
- Discount rates
- Expected useful life of DOS

Estimation of growth rate – Growth rates are derived from published market research for the industry that is based on country-specific nominal retail growth. These growth rates were mainly factored in after the detailed planning phase and in the terminal value used to calculate the value in use.

Estimating gross profit margin – The planned gross profit margin factors in both efficiency improvements and margin shifts due to differences in the sales mix of the various channels. A constant gross profit margin was assumed after the detailed planning phase.

Cost trends – The cost trends are derived from growth of real gross domestic product in each country and the inflation rate in each country.

Discount rates – The discount rates reflect current market assessments of the risks specific to each CGU. This takes into account the interest effect and the risks specific to the assets. Country-specific costs of capital are taken into account for individual CGUs, which factor in sovereign risk and a currency risk mark-ups. The after-tax weighted average cost of capital (WACC) takes into account both debt and equity. In addition, the beta factor, the cost of borrowed capital and the capital structure are derived by reference to a peer group in accordance with IAS 36 and calculated based on publicly available market data.

Useful life of DOS – The forecast period underlying the impairment testing of non-current assets at DOS level amortized or depreciated on a systematic basis is based on the average remaining terms of the lease agreements. These are determined and reassessed annually. Prolongation options are taken into account when determining the average remaining terms if management can exercise the option without incurring significant costs.

SENSITIVITY TO CHANGES IN ASSUMPTIONS

As of December 31, 2013, scenarios for critical measurement parameters such as the discount rates used and the growth rates underlying forecast cash flows were determined to verify the values in use determined. Management of the HUGO BOSS Group considers it plausible for the discount rate to increase by 10.0% on average in relative terms. In addition, for the DOS under review and the CGUs to which goodwill is allocated, an annual relative divergence in growth rates of 15.0% is deemed plausible. Furthermore, for the CGUs to which goodwill is allocated, a 15.0% decrease in the relative sales growth rates underlying the extrapolation of cash flows after the detailed planning phase is deemed plausible.

A 10.0% increase in the discount rate would result in an additional impairment of EUR 102 thousand of the DOS under review. Under the above assumption, the value of use of all items of goodwill would exceed their respective carrying amounts.

In the event of a 15.0% reduction of the annual growth rates in the detailed planning phase, it would be necessary to recognize an additional impairment loss of EUR 923 thousand for the DOS under review; by contrast, the value in use of all items of goodwill would exceed their carrying amounts.

In the event of a 15.0% reduction in the growth rate of sales used to extrapolate the cash flow forecast after the detailed planning period, the value in use of all items of goodwill would exceed their carrying amounts.

14| FINANCIAL AND OTHER ASSETS

(in EUR thousand)

	2013			2012		
		Thereof current	**Thereof non-current**		Thereof current	Thereof non-current
Financial assets	40,685	23,323	17,362	40,198	26,541	13,657
Tax refund claims and prepayments	11,437	9,743	1,694	14,253	12,113	2,140
Other assets	63,612	59,659	3,953	51,733	49,234	2,499
Other financial assets	38	0	38	1,002	0	1,002
TOTAL	**115,772**	**92,725**	**23,047**	**107,186**	**87,888**	**19,298**

Financial assets include positive market values of currency hedges amounting to EUR 5.026 thousand (2012: EUR 7,846 thousand), interest hedges of EUR 1,252 thousand (2012: EUR 0 thousand) and rent deposits for the Group's own retail stores of EUR 12,956 thousand (2012: EUR 15,067 thousand). Financial assets also include receivables from credit card companies amounting to EUR 16,302 thousand (2012: EUR 16,494 thousand).

The tax refund claims and tax prepayments are mostly VAT receivables.

Other assets contain bonus receivables from supplier arrangements and prepayments for service agreements and leases.

Impairment losses of EUR 266 thousand were recognized on other assets in the past fiscal year (2012: EUR 93 thousand).

Other financial assets contain the investment carried at amortized cost in the subsidiary HUGO BOSS Finland OY, Helsinki, Finland, which was founded in fiscal year 2013 but not consolidated. In the prior year, other financial assets contained shares in the subsidiary HUGO BOSS RUS LLC, Moscow, Russia, which was not consolidated.

In addition, other financial assets contain the investment in Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG, which has been measured using the equity method since July 1, 2013. A summary of financial information for Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG is presented in the table below.

(in EUR thousand)

Assets	**2013**
Current assets	72,222
Non-current assets	29,488
Prepaid expenses	1,542
Losses not covered by capital contributions	66
TOTAL	**103,318**
Equity and liabilities	
Equity	(577)
Liabilities	103,895
thereof liabilities due to banks	103,463
TOTAL	**103,318**

In fiscal year 2013, the company generated an immaterial result, as its operating activities will not commence until the flat-packed goods distribution center goes into operation in 2014.

15| INVENTORIES

(in EUR thousand)

	2013	2012[1]
Finished goods and merchandise	379,600	360,550
Raw materials and supplies	54,025	54,273
Work in progress	7,212	6,337
TOTAL	**440,837**	**421,160**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

Inventories carried at fair value less costs to sell amount to EUR 82,312 thousand (2012: EUR 87,537 thousand). In fiscal year 2013, impairment losses of EUR 13,004 thousand (2012: EUR 41,891 thousand) were recognized, mainly on finished goods and raw materials, and reported within cost of sales. This was counterbalanced by reversals of impairment losses of EUR 22,513 thousand (2012: EUR 38,025 thousand) following the sale of finished goods and raw materials on which impairment losses had previously been recognized.

16| TRADE RECEIVABLES

(in EUR thousand)

	2013	2012
Trade receivables, gross	**241,330**	231,527
Accumulated allowance	(15,126)	(16,628)
Trade receivables, net	**226,204**	**214,899**

Trade receivables are non-interest bearing and are generally due between 30 and 90 days.

All recognizable risks are provided for by appropriate valuation allowances. Actual default leads to derecognition of the receivables in question.

Valuation allowances on doubtful debts developed as follows:

(in EUR thousand)

	2013	2012
Allowances for doubtful accounts as of January 1	**16,628**	**33,521**
Additions	4,632	7,466
Use	(1,829)	(10,680)
Release	(4,009)	(13,677)
Currency differences	(296)	(2)
Allowances for doubtful accounts as of December 31	**15,126**	**16,628**

Any expenses and income from allowances on trade receivables are reported under selling and distribution expenses.

As at December 31, the ageing analysis of trade receivables is as follows:

(in EUR thousand)

	2013	2012
Trade receivables, net	**226,204**	**214,899**
Thereof neither overdue, nor impaired	**160,287**	**142,672**
Thereof overdue, but not impaired	**56,489**	**64,434**
≤ 30 days	34,793	43,150
> 30 to 60 days	14,658	14,593
> 60 to 90 days	7,038	6,691
> 90 to 120 days	0	0
> 120 to 180 days	0	0
> 180 to 360 days	0	0
> 360 days	0	0
Thereof: overdue and impaired	**9,428**	**7,793**

As regards receivables that were neither overdue nor impaired, there were no indications as of the reporting date that the debtors would not settle their payment obligations. Specific valuation allowances ranging between 1% and 100% are recognized on trade receivable.

Pursuant to the general terms and conditions for sales, ownership of the goods supplied is transferred to wholesale partners upon complete payment of all receivables. No collateral has been provided in the Group for individual receivables.

17| CASH AND CASH EQUIVALENTS

(in EUR thousand)

	2013	2012
Balances with banks and other cash items	108,890	245,611
Checks/ec-cash	863	852
Cash in hand	9,489	8,143
TOTAL	**119,242**	**254,606**

Apart from liquid assets in the narrow sense – i.e. checks, cash in hand, balances with banks –, cash and cash equivalents contain short-term deposits that can be converted to cash and cash equivalents at any time and are only subject to insignificant fluctuations in value.

As of the end of the reporting date, the line item balances with banks contains short-term deposits of EUR 25,000 thousand (2012: EUR 130,000 thousand).

18| SUBSCRIBED CAPITAL

The fully paid in share capital of HUGO BOSS AG amounts to EUR 70,400,000 thousand as of December 31, 2013. The shares have an imputed nominal value of EUR 1 each. The share capital is divided into 70,400,000 registered shares:

(in thousand)

	2013	2012
Shares	70,400	70,400
TOTAL	**70,400**	**70,400**

The total number of ordinary share contains 34,540,000 former preferred shares which were converted into ordinary shares as part of the conversion performed after the close of trading on June 15, 2012. The Annual Shareholders' Meeting of HUGO BOSS AG had approved the conversion of preferred shares into ordinary shares and the conversion from bearer shares to registered shares on May 3, 2012. Since then, the share capital of the company has been divided into 70,400,000 no par value registered ordinary shares.

Until May 13, 2014, the Managing Board of HUGO BOSS AG has authorized capital of EUR 35,200,000 at its disposal, subject to the approval of the Supervisory Board. The Managing Board is authorized to raise the share capital once or several times by issuing new registered ordinary shares and/or registered preferred shares without voting rights equivalent to the registered preferred shares without voting rights already issued.

CAPITAL MANAGEMENT

Equity comprises the equity attributable to the equity holders of the parent.

The primary objective of the HUGO BOSS Group's capital management is to secure the financial headroom to make value-enhancing investments for further business growth and, in turn, to increase the enterprise value in a sustainable manner.

To increase the enterprise value, the Group focuses on maximizing free cash flow. Maintaining positive free cash flow in the long term secures the Group's financial independence and its solvency at all times. The main levers for improving free cash flow are increasing sales and EBITDA (earnings before interest, taxes, depreciation and amortization) before special items. Strict management of trade net working capital and value-oriented investment activities support the development of free cash flow. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares.

No changes were made to the objectives, policies and methods as of December 31, 2013 and December 31, 2012.

In addition, efficient use of capital and the capital structure are regularly monitored based on the leverage ratio, i.e., the ratio of net financial liabilities to EBITDA before special items:

(in EUR thousand)

	2013	2012
Liabilities due to banks	176,250	385,054
Cash and cash equivalents	(119,242)	(254,606)
Net financial liabilities	**57,008**	**130,448**
Operating profit	**564,700**	**528,100**
Financing strength	**0.1**	**0.2**

The leverage ratio improved further year on year driven by the positive development of the operating result and the improvement in net financial liabilities. The indicator was reduced from 0.2 in the prior year to 0.1 as of the reporting date.

The syndicated loan agreement refinanced in the fiscal year 2013 contains standard covenants requiring the maintenance of the leverage ratio. As in prior fiscal years, HUGO BOSS substantially exceeded the required minimum value as of December 31, 2013.

19| OWN SHARES

The number of own shares remains unchanged compared to the prior year:

	2013	2012
Shares	1,383,833	1,383,833
Share of subscribed capital in %	2.0	2.0

At the Annual Shareholders' Meeting of June 21, 2010 a resolution was passed to authorize the Managing Board until June 20, 2015 to redeem registered ordinary shares and/or registered preferred shares without voting rights of the Company up to 10% in total of the current share capital.

20| CAPITAL RESERVE

The capital reserve contains premiums on the issue of shares.

21| RETAINED EARNINGS

Retained earnings contain profits that have not been distributed and that were generated in the past by the entities included in the consolidated financial statements, effects on earnings from consolidation entries in prior periods as well as effects from the revaluation of pension provisions.

22| OTHER COMPREHENSIVE INCOME

Differences from the currency translation without effect on income of financial statements of foreign subsidiaries amounting to EUR -16,699 thousand (2012: EUR -5,205 thousand) and the effects the measurement of financial instruments directly in equity after taxes are reported in other comprehensive income. Deferred taxes on the measurement of financial instruments recognized directly in equity amount to EUR -313 thousand (2012: EUR 1,174 thousand).

Reference is made to the consolidated statement of comprehensive income as regards the income and expenses recognized directly in equity.

23| DIVIDEND

Pursuant to the AktG [“Aktiengesetz”: German Stock Corporation Act], the dividend that can be distributed to the shareholders is measured based on the unappropriated surplus reported in the financial statements of HUGO BOSS AG amounting to EUR 235,136 thousand. The net retained profit of HUGO BOSS AG for 2013 proposed to the Annual Shareholders’ Meeting for distribution amounts to EUR 230,514 thousand. This corresponds to EUR 3.34 per share. It is also proposed to the Annual Shareholders’ Meeting that the dividend attributable to own shares totaling EUR 4,622 thousand be carried forward to new account.

In 2013, a dividend of EUR 215,330 thousand was paid out for shares outstanding for fiscal year 2012 (in 2012 for 2011: EUR 199,103 thousand). This corresponds to EUR 3.12 per ordinary share for fiscal year 2012 (2011: EUR 2.88 per ordinary share and EUR 2.89 per preferred share).

24| PROVISIONS

(in EUR thousand)

	2013	2012[1]
Provisions for pensions	29,795	31,237
Other non-current provisions	22,944	23,252
Non-current provisions	**52,739**	**54,489**
Current provisions	**99,868**	**89,960**
TOTAL	**152,607**	**144,449**

[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 (for details see Notes to the consolidated financial statements, “Changes in accounting policies/corrections”, page 170).

Other provisions of EUR 122,812 thousand (2012: EUR 113,212 thousand) comprise current provisions of EUR 99,868 thousand (2012: EUR 89,960 thousand) and other non-current provisions of EUR 22,944 thousand (2012: EUR 23,252 thousand).

In fiscal year 2013, other provisions developed as follows:

(in EUR thousand)

	Balance on Jan. 1, 2013	**Currency differences**	**Compounding**	**Addition**	**Use**	**Release**	**Balance on Dec. 31, 2013**
Provisions for personnel expenses	60,537	(599)	(1,663)	38,921	(37,672)	(6,143)	53,381
Costs of litigation, pending legal disputes	8,168	(19)	0	3,601	(1,808)	(1,434)	8,508
Miscellaneous provisions	44,507	(614)	(65)	43,732	(21,712)	(4,925)	60,923
thereof refund for goods	13,689	(148)	0	19,837	(13,971)	757	20,164
thereof provisions for rebuild obligations	3,898	(415)	(65)	4,544	1,542	(402)	9,102
TOTAL	**113,212**	**(1,232)**	**(1,728)**	**86,254**	**(61,192)**	**(12,502)**	**122,812**

	Balance on Jan, 1. 2012	Currency differences	Compounding	Addition	Use	Release	Balance on Dec, 31. 2012
Provisions for personnel expenses[1]	55,178	(148)	(1,271)	49,701	(34,813)	(8,110)	60,537
Costs of litigation, pending legal disputes	7,570	(10)	21	3,592	(1,759)	(1,246)	8,168
Miscellaneous provisions	47,228	(100)	(111)	17,955	(10,106)	(10,359)	44,507
thereof refund for goods	14,643	45	0	4,221	(2,026)	(3,194)	13,689
thereof provisions for rebuild obligations	110	(149)	(111)	848	3,200	0	3,898
TOTAL	**109,976**	**(258)**	**(1,361)**	**71,248**	**(46,678)**	**(19,715)**	**113,212**

[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 (for more details see notes to the Consolidated Financial Statements, "Changes in accounting policies/corrections", page 170).

The provisions for personnel expenses mainly concern the provisions for profit participation and bonuses, severance payment claims, accrued vacation not yet taken as well as wages and salaries.

Overall, it is expected that the provisions for personnel expenses of EUR 12,562 thousand (2012: EUR 19,137 thousand) will be paid out in more than 12 months.

The provisions for costs of litigation and pending legal disputes include litigation costs for the protection of brand rights. These provisions are classified as current.

Miscellaneous provisions mainly contain provisions for goods returned, that are largely expected to be completed within 12 months for the most part. In addition, miscellaneous provisions contain non-current provisions for rebuild obligations. Based on reasonable estimates, provisions were also recognized for the potential ramifications of legal and tax issues.

The risk-free interest rates used to discount non-current provisions range between 1.1% and 4.9% (prior year: between 1.1% and 7.8%) depending on the term and currency zone in question.

25| PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Provisions for pensions are recognized for obligations from future and current post-employment benefits to eligible current and former employees of the HUGO BOSS Group. The benefits agreed under the pension plans depend for the most part on the length of service of the eligible employee. In general, company pension plans are classified into two types of plans: defined contribution plans and defined benefit plans. In the HUGO BOSS Group most of the plans are defined benefit plans. In the past year, the main defined benefit plans were granted in Germany, Switzerland and Turkey. The characteristics of these plans are described in the following.

DEFINED BENEFIT PLANS

GERMANY

In Germany, there are direct and indirect pension obligations. A distinction is also made between general and individually agreed benefits. Under the general benefits granted, each employee who joined the Company prior to July 1, 2012 is entitled to benefits from company pension plans. Excluded are employees whose service first leads to benefits under the plan upon reaching the age of 50 or who have temporary employment agreements. Benefits comprise a retirement benefit in the form of an old-age pension, an early-retirement benefit or a disability benefit or a surviving dependents' benefit in the form of a dependent child benefits. The retirement benefits, early-retirement benefits and dependent child benefits are indirectly granted through a welfare fund, while HUGO BOSS grants the disability benefit directly.

Individually agreed benefits are only granted to active and former members of the Managing Board. Benefits can take the form of retirement benefits as old-age pensions or disability annuities and take the form of surviving dependents' benefits as a surviving spouse or child benefit.

In addition, the HUGO BOSS Group offers the Managing Board and executives the option of acquiring additional pension benefits under deferred compensation arrangements. This supplementary pension plan can take the form of retirement benefits or, alternatively, the form of occupational incapacity benefits and/or surviving dependents' benefits and/or the form of a lump-sum death grant. The pension benefits take the form of monthly payments, while surviving dependents' benefits can also be granted in the form of a lump-sum capital payment.

In Germany, the company pension plan for individually agreed benefits and deferred compensation agreements is funded by plan assets for which there is employer's pension liability insurance which is a qualifying insurance policy within the meaning of IAS 19.8 in conjunction with IAS 19.113 et seq. The assets concerned can be classified as non-marketable assets. Employer's pension liability insurance has not been taken out for general benefits granted.

SWITZERLAND

In Switzerland, employee pension plans must be allocated to a pension fund that is separate from the employer. The BVG ["Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge": Swiss Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans] imposes minimum benefits. HUGO BOSS uses a collective foundation to provide for its employees against the economic consequences of old age, disability and death. Under this model, the foundation assets are the plan assets. The board of trustees of the collective foundation is responsible for the investment policy; at present the majority of plan assets are invested in fixed interest securities such as sovereign bonds. The supreme governing body of the collective foundation comprises an equal number of employer and employee representatives. The plans are financed by employer and employee contributions, which are defined as a percentage of the insured wage. The old-age pension is calculated as the retirement assets accumulated upon reaching a pensionable age multiplied by the conversion rates specified in the fund regulations. Employees can opt to receive their pension benefits as a lump-sum payment from the retirement assets. The benefit payments under the Swiss plans encompass old-age pensions, disability benefits and surviving dependents' benefits. The collective foundation can change its financing system (contributions and future benefits) at any time. In addition, the collective foundation can terminate the affiliation agreement with HUGO BOSS; in such an event, the latter would have to join another welfare fund. Depending on the conditions of the affiliation agreement and the current partial liquidation rules, a deficit and the risks of increasing life expectancy (current pensions) can be transferred.

TURKEY

In Turkey, severance payment commitments have been made to employees, which have to be recognized as defined benefit plans in accordance with IAS 19. The severance payment that must be paid by HUGO BOSS complies with the legally required benefits of up to one month per year of service and is granted upon retirement, in the event of employment termination by the employer without due cause, upon marriage, in the event of death or conscription to military service. Employees are entitled to benefits after one year of service. The monthly salary used as a basis to calculate the obligation is capped at an amount set by the Turkish authorities. Obligations in Turkey are funded by provisions.

The pension obligations of the HUGO BOSS Group break down as follows:

(in EUR thousand)

	2013	2012[1]	January 1, 2012[1]
Germany	15,928	15,984	8,281
Switzerland	8,824	9,458	7,333
Turkey	2,868	3,693	2,813
Others[2]	2,175	2,102	1,953
TOTAL	**29,795**	**31,237**	**20,380**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

[2] Additional defined benefit plans are in place in Italy, France and Mexico

The amount of the pension obligations was determined using actuarial methods in accordance with IAS 19, Employee Benefits (revised 2011, IAS 19R). Adoption of IAS 19R led to changes with consequences for the HUGO BOSS Group's net assets, financial position and results of operations that are explained in more detail in section "Changes in accounting policies/corrections" of these notes to the consolidated financial statements.

In fiscal year 2013, the funding status of benefit obligations pursuant to IAS 19(R) was as follows:

(in EUR thousand)

	2013	2012[1]
Change in present value of benefit obligation		
Present value of benefit obligation on January 1	100,374	82,118
Currency differences	(1,241)	156
Service cost	5,804	5,143
Interest cost	3,227	3,033
Remeasurement of the carrying amount		
Actuarial gains/losses	(2,341)	11,590
Experience adjustments	398	362
Benefits paid	(3,361)	(6,461)
Contribution by participants of the plan	4,296	4,423
Past service cost	0	0
Other changes in benefit obligation	135	10
Present value of benefit obligation on December 31	**107,291**	**100,374**
Changes in plan assets		
Fair value of plan assets on January 1	69,137	61,738
Currency differences	(284)	103
Offsetting with plan assets	0	0
Expected return on plan assets	2,254	2,806
Expected return on plan assets (without interest income)	(160)	(1,490)
Benefits paid	(2,647)	(5,753)
Contribution by the employer	6,846	2,207
Contribution by participants of the plan	4,296	4,423
Asset ceiling pursuant to IAS 19.58	(1,946)	5,103
Other changes in benefit obligation	0	0
Fair value of plan assets on December 31	**77,496**	**69,137**
Funding status of the benefits funded by plan assets	**29,795**	**31,237**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

As of December 31, 2013, EUR 96,164 thousand (2012: EUR 88,816 thousand) of the present value of the defined benefit obligations was funded through employer's pension liability insurance, while EUR 11,127 thousand (2012: EUR 11,558 thousand) was unfunded.

ACTUARIAL ASSUMPTIONS UNDERLYING THE CALCULATION OF THE PRESENT VALUE OF THE PENSION OBLIGATION AS OF DECEMBER 31, 2013

The following premises were defined:

Actuarial assumptions	2013	2012
Discount rate		
Germany	3.50 %	3.50 %
Switzerland	2.20 %	2.00 %
Turkey	10.50 %	8.78 %
Rate of compensation increase		
Germany	1.75 %	1.75 %
Switzerland	0.00 %	0.00 %
Turkey	0.00 %	0.00 %
Expected salary increase		
Germany	2.50 %	2.50 %
Switzerland	4.00 %	4.00 %
Turkey	5.00 %	5.00 %

Pension benefits in Germany are determined on the basis of biometric principles in accordance with the 2005 G mortality tables of Prof. Dr. Klaus Heubeck. The BVG 2010 mortality tables are used to measure the obligations of Swiss companies. The pension obligations in Turkey are determined using the CSO 1980 mortality tables.

SENSITIVITY ANALYSIS OF KEY ACTUARIAL ASSUMPTIONS

The HUGO BOSS Group is exposed to special risks in connection with the aforementioned defined benefit plans. The funding status of pension obligations is influenced by both changes in the present value of the defined benefit obligations and changes in the fair value of plan assets. These are determined using actuarial methods that make assumptions concerning discount rates, future pension increases, future wage and salary increases and mortality rates. Future deviations between actual conditions and the underlying assumptions can lead to an increase or a decrease in the present value of the defined benefit obligations or the fair value of plan assets.

In addition, future amendments to the accounting standards governing the accounting treatment of pension obligations can affect the pertinent items of net assets, financial position and results of operations of the HUGO BOSS Group.

A change in the key actuarial parameters according to the scenarios presented below has the effects presented in the table below on the present value of the pension obligations as of December 31, 2013.

When conducting the sensitivity analysis, each parameter was altered ceteris paribus and not in combination with changes in other assumptions, thus excluding interdependencies between parameters. In addition, only ranges of values were selected deemed to be reasonably plausible up to the date of preparing the HUGO BOSS Group's next set of consolidated financial statements.

Actuarial assumptions	**present value of the defined benefit obligations**
Discount rate	
December 31, 2013	
Increase of 75 basis points	(12,407)
Decline of 75 basis points	15,188
Rate of compensation increase	
December 31, 2013	
Increase of 25 basis points	1,980
Decline of 25 basis points	(1,178)
Expected salary increase	
December 31, 2013	
Increase of 50 basis points	1,675
Decline of 50 basis points	(1,564)
Life expectancy	
December 31, 2013	
Increase of 10 basis points	(1,349)
Decline of 10 basis points	1,199

BREAKDOWN OF THE PENSION EXPENSES IN THE PERIOD

The pension expenses recognized in the consolidated income statement comprise the current service cost and the net interest expense. In addition, remeasurement effects from the change in financial assumptions and experience adjustments together with the return on plan assets that is not included in interest expenses and interest income are recognized in other comprehensive income in the consolidated statement of comprehensive income. The net effect from the asset ceiling is also recognized in other comprehensive income in accordance with IAS 19.58.

(in EUR thousand)

	2013	2012[1]
Current service costs	5,804	5,143
Net interest costs	973	227
Recognized pension expenses in the comprehensive statement of income	**6,777**	**5,370**
Expense from plan assets (without interest effects)	160	1,490
Recognized actuarial gains/losses	(1,943)	11,952
Asset ceiling (without interest effects of asset ceiling)	1,695	(5,373)
Recognized remeasurement of the carrying amount in the comprehensive statement of income	**(88)**	**8,070**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

The net interest expense is calculated by multiplying the net pension obligation by the discount rate underlying the measurement of the defined benefit obligation (DBO).

The actual return on plan assets for fiscal year 2013 comes to EUR 2,094 thousand (2012: EUR 1,316 thousand). This corresponds to the accumulated return on plan assets recognized in the consolidated statement of comprehensive income together with the interest on plan assets contained in the net interest expense.

In the case of deferred compensation commitments, current service cost is only incurred in the year of deferral. An increase in the service rendered does not increase the benefits granted.

In fiscal year 2013, employee contributions to defined benefit plans came to EUR 4,296 thousand (2012: EUR 4,423 thousand). For fiscal year 2014, the Group anticipates employee contributions to defined benefit plans of EUR 3,589 thousand (2013: EUR 3,758 thousand).

For fiscal year 2014, the Group expects employer contributions to plan assets of EUR 2,296 thousand (2013: EUR 2,276 thousand).

DURATION

The duration of the defined benefit plans of the HUGO BOSS Group in the reporting year stood at:

	Duration in years
Germany	18
Switzerland	17
Turkey	12

DEFINED CONTRIBUTION PLANS

Employer contributions to defined contribution plans totaled EUR 17,093 thousand in the fiscal year (2012: EUR 14,337 thousand) and are reported under personnel expenses in the income statement. The HUGO BOSS Group’s main defined contribution plans are in Germany, the United States, the Benelux countries, Scandinavia and Hong Kong. Significant components of the amounts recognized in the income statement are contributions to statutory pension insurance and the employer’s contribution to employer-funded direct insurance in Germany.

PHASED RETIREMENT OBLIGATIONS

In Germany there also obligations from phased retirement agreements entered into in the past. All employees who have reached the age of 57 and who have been employed at HUGO BOSS for at least 5 years without interruption are entitled to a phased retirement arrangement.

26| FINANCIAL LIABILITIES

All interest-bearing and non-interest bearing obligations as of the respective reporting date are reported under financial liabilities. They break down as follows:

(in EUR thousand)

	2013	2012
Non-current financial liabilities	164,768	63,265
Current financial liabilities	14,653	332,177
TOTAL	**179,421**	**395,442**

(in EUR thousand)

	2013	**with remaining term up to 1 year**	2012	with remaining term up to 1 year
Financial liabilities due to banks	176,250	13,889	385,054	325,071
Other financial liabilities	3,171	764	10,388	7,105
TOTAL	**179,421**	**14,653**	**395,442**	**332,176**

Other financial liabilities include negative market values from derivative financial instruments amounting to EUR 3,051 thousand (2012: EUR 10,208 thousand). As in the prior year, there were no liabilities from finance lease agreements.

The following tables show the terms and conditions of financial liabilities:

LIABILITIES DUE TO BANKS

	2013		2012	
Remaining term	**Weighted average interest rate**	**Carrying amount EUR thous.**	Weighted average interest rate	Carrying amount EUR thous.
Up to 1 year	3.84%	13,889	0.89%	325,071
1 to 5 years	1.45%	135,861	1.53%	29,228
More than 5 years	3.54%	26,500	3.41%	30,755

Unlike in the prior year, the majority of financial liabilities due to banks are classified as non-current following the refinancing of the syndicated line of credit in fiscal year 2013.

OTHER FINANCIAL LIABILITIES

	2013		2012	
Remaining term	**Weighted average interest rate**	**Carrying amount EUR thous.**	Weighted average interest rate	Carrying amount EUR thous.
Up to 1 year	4.16%	764	3.37%	7,105
1 to 5 years	5.10%	1,722	5.11%	2,138
More than 5 years	5.48%	685	5.58%	1,145

By contrast to the prior year, the share of non-interest bearing financial liabilities has once again decreased significantly. As of the reporting date, they mainly contain interest derivatives with negative market values.

The table below shows the contractually agreed undiscounted cash flows for non-derivative financial liabilities and for derivative financial instruments with a negative fair value:

(in EUR thousand)

2013		**Expected cash flows**			
Non-derivative financial liabilities	**Carrying amount**	**Total cash flows**	**< 1 year**	**1 - 5 years**	**> 5 years**
Financial liabilities due to banks	176,250	195,312	24,578	140,667	30,067
Liabilities from finance leases	0	0	0	0	0
Derivative financial liabilities					
Undesignated derivatives	3,051	3,170	765	1,636	769
Derivatives subject to hedge accounting	0	0	0	0	0
Other financial liabilities	120	120	0	120	0
TOTAL	**179,421**	**198,602**	**25,343**	**142,423**	**30,836**
2012					
Non-derivative financial liabilities					
Financial liabilities due to banks	385,054	397,873	343,246	19,770	34,857
Liabilities from finance leases	0	0	0	0	0
Derivative financial liabilities					
Undesignated derivatives	5,513	5,638	2,411	1,982	1,246
Derivatives subject to hedge accounting	4,695	4,696	4,696	0	0
Other financial liabilities	180	180	0	180	0
TOTAL	**395,442**	**408,387**	**350,353**	**21,931**	**36,103**

27| OTHER LIABILITIES

(in EUR thousand)

	2013	**Thereof current**	**Thereof non-current**	2012	Thereof current	Thereof non-current
Other liabilities	112,889	81,922	30,967	107,301	93,303	13,998
From taxes	29,063	29,063	0	27,277	27,277	0
From social security	5,688	5,749	(61)	5,586	5,586	0

Apart from VAT liabilities and social security liabilities, other liabilities mainly contain accruals of rental obligations for the Group's own retail business as well as overtime and accrued vacation.

28| TRADE PAYABLES

(in EUR thousand)

	2013	2012
Trade payables	235,286	227,575

Trade payables contain payments on account of EUR 4,964 thousand (2012: EUR 3,965 thousand) and are due within one year.

29| ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments that are carried in the financial statements.

CARRYING AMOUNTS AND FAIR VALUES BY CATEGORY OF FINANCIAL INSTRUMENTS

(in EUR thousand)

		2013		2012	
Assets	IAS 39 category	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	LaR	119,242	119,242	254,606	254,606
Trade receivables	LaR	226,204	226,204	214,899	214,899
Other financial assets		40,698	40,698	41,201	41,201
Thereof:					
Available for sale investments	AfS	13	13	1,002	1,002
Undesignated derivatives	FAHfT	5,026	5,026	7,846	7,846
Derivatives subject to hedge accounting	n. a.	1,252	1,252	0	0
Other financial assets	LaR	34,407	34,407	32,353	32,353
Liabilities					
Financial liabilities due to banks	FLAC	176,250	179,492	385,054	389,238
Trade payables	FLAC	235,286	235,286	227,575	227,575
Other financial liabilities		3,171	3,171	10,388	10,388
Thereof:					
Liabilities from financial leases	n. a.	0	0	0	0
Undesignated derivatives	FLHfT	3,051	3,051	5,513	5,513
Derivatives subject to hedge accounting	n. a.	0	0	4,695	4,695
Other financial liabilities	FLAC	120	120	180	180
Total for categories of financial instruments according to IAS 39:					
Loans and Receivables	LaR	379,853	379,853	501,858	501,858
Financial Assets Held for Trading	FAHfT	5,026	5,026	7,846	7,846
Financial Liabilities Measured at Amortized Cost	FLAC	411,656	414,898	612,809	616,993
Financial Liabilities Held for Trading	FLHfT	3,051	3,051	5,513	5,513

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, other financial assets, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Financial transactions with parties with a lower credit rating require the approval of the Managing Board and are concluded only to a limited degree. Derivatives valued using valuation techniques with observable market data are mainly interest rate swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit worthiness of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying base rates.

As of December 31, 2013, the marked to market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The credit risk of the counterparty did not lead to any significant effects.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices on active markets for identical assets or liabilities

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Techniques which use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

As of December 31, 2013, as in the prior year, all financial instruments measured at fair value in the categories FAHfT, FLHfT and derivatives designated to a hedge relationship were assigned to level 2. During fiscal year 2013, there were no transfers between level 1 and level 2 as well as beyond level 3. The financial instruments measured at fair value comprised forward exchange contracts, currency swaps and interest derivatives. These were assigned to the categories FAHfT, FLHfT as well as derivatives used for hedging. The assets amounted to EUR 6,278 thousand, liabilities to EUR 3,051 thousand. The fair value of financial instruments carried at amortized cost in the statement of financial position was likewise determined using a level 2 method.

INTEREST RISK HEDGES

To hedge against interest risks, the HUGO BOSS Group enters into interest hedging transactions in some areas to mitigate risk. As of the reporting date, EUR 111,495 thousand (2012: EUR 312,039 thousand) in variable interest finance liabilities were hedged. EUR 100,000 thousand (2012: EUR 300,000 thousand) thereof was designated as an effective hedging instrument. The change in unrealized gains/losses from marking hedges to market in other comprehensive income amounted to income of EUR 4,460 thousand (2012: EUR 7,860 thousand).

NET RESULT BY MEASUREMENT CATEGORY

(in EUR thousand)	**Interest income and expenses**	**Changes in fair value**	**Currency translation**	**Bad debt losses**	**Disposal of financial instruments**	**2013**	2012
Derivatives (FAHfT and FLHfT)	0	5,828	0	0	5,908	11,736	11,793
Loans and Receivables (LaR)	1,995	0	(13,263)	(1,606)	0	(12,874)	(2,120)
Financial liabilities measured at amortized cost (FLAC)	(11,144)	0	(5,764)	0	0	(16,908)	(24,024)

Interest on financial instruments is reported in the interest result (cf. notes to the consolidated income statement, Note 6).

The bad debt allowances recognized on trade receivables allocable to the loans and receivables measurement category are reported under selling and distribution expenses.

Exchange gains and losses from the translation of foreign currency receivables and liabilities as well as fair value changes and effects of disposals of exchange rate hedges are reported in the other financial result.

The effect of the change in the fair value of call options to hedge the SAR provisions are recorded in personnel expenses or other financial result (cf. note 37 Share-based payments).

30| OFFSETTING OF FINANCIAL INSTRUMENTS

(in EUR thousand)

	Gross amounts recognized assets	Gross amounts offset liabilities	Net asset amounts disclosed in statement of fin. pos.	Liabilities not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2013						
Cash and cash equivalents	119,242	0	119,242	0	0	119,242
Trade receivables	239,006	(12,802)	226,204	0	0	226,204
Other financial assets	40,698	0	40,698	(126)	0	40,572
Thereof available-for-sale	13	0	13	0	0	13
Thereof derivatives	6,278	0	6,278	(126)	0	6,152
Thereof other financial assets	34,407	0	34,407	0	0	34,407
TOTAL	**398,933**	**(12,802)**	**386,131**	**(126)**	**0**	**386,005**
2012						
Cash and cash equivalents	254,606	0	254,606	0	0	254,606
Trade receivables	232,043	(17,144)	214,899	0	0	214,899
Other financial assets	41,201	0	41,201	(335)	0	40,866
Thereof available-for-sale	1,002	0	1,002	0	0	1,002
Thereof derivatives	7,846	0	7,846	(335)	0	7,511
Thereof other financial assets	32,353	0	32,353	0	0	32,353
TOTAL	**526,848**	**(17,144)**	**509,704**	**(335)**	**0**	**509,369**

(in EUR thousand)

	Gross amounts recognized liabilities	Gross amounts offset assets	Net liabilities amounts disclosed in statement of fin. pos.	Assets not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
2013						
Liabilities due to banks	176,250	0	176,250	0	0	176,250
Trade payables	241,898	(6,612)	235,286	0	0	235,286
Other financial assets	3,171	0	3,171	(126)	0	3,045
Thereof derivatives	3,051	0	3,051	(126)	0	2,925
Thereof other financial liabilities	120	0	120	0	0	120
TOTAL	**421,319**	**(6,612)**	**414,707**	**(126)**	**0**	**414,581**
2012						
Liabilities due to banks	385,054	0	385,054	0	0	385,054
Trade payables	232,437	(4,862)	227,575	0	0	227,575
Other financial assets	10,388	0	10,388	(335)	0	10,053
Thereof derivatives	10,208	0	10,208	(335)	0	9,873
Thereof other financial liabilities	180	0	180	0	0	180
TOTAL	**627,879**	**(4,862)**	**623,017**	**(335)**	**0**	**622,682**

The liabilities of EUR 12,802 thousand (2012: EUR 17,144 thousand) offset against trade receivables as of the reporting date are outstanding credit notes to customers. The assets offset against trade payables are receivables in the form of supplier credit notes of the HUGO BOSS Group. These amounted to EUR 6,612 thousand (2012: EUR 4,862 thousand).

Standard master agreements for financial future contracts are in place between the HUGO BOSS Group and its counterparties governing the offsetting of derivatives. These prescribe that derivative assets and derivative liabilities with the same counterparty can be combined into a single offsetting receivables.

OTHER NOTES

31| CONTINGENT LIABILITIES

As in the prior year, there were no contingent liabilities as of the reporting date (2012: EUR 0 thousand).

32| OTHER FINANCIAL OBLIGATIONS

OPERATING LEASES

A substantial number of rental agreements have been entered into which qualify as operating leases based on their substance, such that the leased asset is attributable to the lessor.

Operating leases concern in particular the rental agreements for the real estate used by the retail stores operated by the Group, warehouse and office space used by the Group companies, most of which are based on minimum lease payments. Lease arrangements are also in place that contain agreements on contingent rents (particularly rents linked to sales).

Rental expenses under operating leases of EUR 260,463 thousand were recognized in fiscal year 2013 (2012: EUR 178,613 thousand). Contingent rental expenses amounted to EUR 104,220 thousand (2012: EUR 50,143 thousand).

The following minimum lease payments under operating leases fall due in subsequent periods:

(in EUR thousand)

2013	**Due 2014**	**Due 2015–2018**	**Due after 2018**	**TOTAL**
Sum of future minimum lease payments (operating lease)	188,973	588,737	373,573	**1,151,283**
Other obligations	1,526	2,824	522	**4,872**
TOTAL	**190,499**	**591,561**	**374,095**	**1,156,155**
2012	Due 2013	Due 2014–2017	Due after 2017	**TOTAL**
Sum of future minimum lease payments (operating lease)	140,716	425,110	240,844	**806,670**
Other obligations	11,987	1,737	615	**14,339**
TOTAL	**152,703**	**426,847**	**241,459**	**821,009**

The other obligations line item contains other service and maintenance agreements.

In fiscal year 2013, the Group earned income of EUR 282 thousand from subleases (2012: EUR 481 thousand). Total future minimum lease payments from subleases as of the reporting date December 31, 2013 expected to be received as they pertain to non-cancellable leases amount to EUR 1,871 thousand (2012: EUR 1,552 thousand).

FINANCE LEASES

In the fiscal year 2013 and in the prior year, property, plant and equipment did not contain any land whose economic ownership would be attributable to the Group in accordance with IAS 17. Nor were there any items of operating and office equipment that qualify (2012: EUR 0 thousand).

OTHER FINANCIAL OBLIGATIONS

The HUGO BOSS Group has entered into advertising and sponsorship agreements that result in other financial obligations. This leads to the following payments in subsequent years:

(in EUR thousand)

2013	**Due 2014**	**Due 2015–2018**	**Due after 2018**	**TOTAL**
Advertising and sponsorship contracts	10,734	15,477	0	**26,211**
TOTAL	**10,734**	**15,477**	**0**	**26,211**
2012	Due 2013	Due 2014–2017	Due after 2017	TOTAL
Advertising and sponsorship contracts	12,565	8,830	0	**21,395**
TOTAL	**12,565**	**8,830**	**0**	**21,395**

In addition, there are purchase obligations for investments amounting to EUR 2,188 thousand (2012: EUR 76,656 thousand). Of this amount, EUR 699 thousand is attributable to property, plant and equipment (2012: EUR 73,500 thousand) and EUR 1,419 thousand (2012: EUR 3,156 thousand) to intangible assets. The obligations as of December 31, 2013 fall due within one year. As of December 31, 2012, the purchase obligations were due in fiscal years 2013 and 2014 and mainly contained the obligations of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG which as deconsolidated as of June 30, 2013. There are no other financial obligations.

33| HEDGING POLICY AND FINANCIAL DERIVATIVES

The following presentation shows the nominal amounts and the fair value of derivative financial instruments:

(in EUR thousand)

	2013		2012	
Assets	**Nominal-values**	**Fair values**	Nominal-values	Fair values
Currency hedging contracs	91,716	5,026	76,768	4,926
Interest hedging contracts	100,000	1,252	0	0
Call option (SAR-Hedges)	0	0	2,550	2,920
Liabilities				
Currency hedging contracs	(19,505)	(185)	(31,606)	(1,789)
Interest hedging contracts	(11,495)	(2,866)	(312,039)	(8,419)
Call option (SAR-Hedges)	0	0	0	0
TOTAL	**160,717**	**3,227**	**(264,326)**	**(2,362)**

The nominal values are the amount hedged by the corresponding hedge. The fair values of derivative financial instruments are recognized as other financial assets or as other financial liabilities. They do not necessarily correspond to the amounts that will be generated in the future under normal market conditions.

In addition, financial assets contain call options for hedging the stock appreciation rights program with fair values of EUR 0 thousand (2012: EUR 2,920 thousand).

Of the reported fair value from derivative financial instruments, an amount of EUR 1,975 thousand (2012: EUR 2,333 thousand) stems from financial assets and liabilities that were classified as held for trading.

After deducting deferred taxes, positive effects from the fair value measurement of interest hedges of EUR 939 thousand were recognized in other comprehensive income as of December 31, 2013 (2012: EUR -3,552 thousand). Of the amount recognized in other comprehensive income, interest hedges of EUR -3,873 thousand after tax expenses were recycled through the income statement in fiscal year 2013 (2012: expenses of EUR -9,376 thousand). This breaks down into an interest expense of EUR -5,164 thousand (2012: EUR -12,501 thousand) and income from deferred taxes of EUR 1,291 thousand (2012: EUR 3,125 thousand). The fair value changes came to EUR 588 thousand (prior year: EUR -1,517 thousand). As in the prior fiscal year, no effects from currency hedges were reclassified from equity into profit for the period in fiscal year 2013.

As a group with international operations, HUGO BOSS is exposed to risks from exchange rate and interest fluctuations in connection with its operating activities. Derivative financial instruments are used to mitigate such risks. Only marketable instruments with adequate liquidity are used. At HUGO BOSS, use of derivative financial instruments is subject to internal policies and control mechanisms.

In its use of derivative financial instruments, the HUGO BOSS Group is exposed to the risk of counterparty default. This risk is countered by only entering into contracts with excellent to good credit ratings.

CURRENCY RISKS

The disclosures required under IFRS 7 on currency risks and a corresponding sensitivity analysis are presented in detail in the risk report section of the management report. As in the prior year, currency risk is determined based on currency exposure already recognized as the hedging strategy still aims to mitigate accounting risks.

INTEREST RATE RISKS

The disclosures required under IFRS 7 on interest risks and a corresponding sensitivity analysis are presented in detail in the risk report section of the management report.

34| NOTES TO THE STATEMENT OF CASH FLOWS

The statement of cash flows of the HUGO BOSS Group shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, the cash flows from operating, investing and financing activities are divided according to their source and utilization. The cash inflows and outflows from operating activities are calculated indirectly on the basis of the Group's net profit for the period. By contrast, cash flows from investing and financing activities are directly derived from the cash inflows and outflows.

Changes in the changes in the Group's cash and cash equivalents are the result of the development of the individual cash flows after exchange rate effects.

The cash and cash equivalents presented in the statement of cash flows contain all cash and cash equivalents shown in the statement of financial position, i.e., apart from liquid assets in the narrow sense – checks, cash in hand, balances with banks –, cash and cash equivalents contain short-term investments that can be converted to cash and cash equivalents at any time and are only subject to insignificant fluctuations in value. Cash and cash equivalents are measured at amortized cost.

Non-cash expenses and income concern in particular unrealized exchange rate gains and losses, fair value changes of derivative financial instruments recognized in profit or loss and non-cash changes in financial liabilities.

35| SEGMENT REPORTING

The Managing Board of HUGO BOSS AG manages the company by geographic areas. The HUGO BOSS national companies are responsible for the sale of all HUGO BOSS products that are not sold as licensed products by third parties in their respective sales territories. The managing directors of the national companies report to the regional directors in charge in each case, who in turn report to the Managing Board of HUGO BOSS AG. This organizational structure enables the direct implementation of Group objectives while taking into account specific market conditions.

Accordingly, the operating segments are organized into the three regions Europe, Americas and Asia/Pacific, in addition to the royalties division. The regions are allocated to the corresponding distribution companies of the HUGO BOSS Group, while the complete royalties business of HUGO BOSS with third parties is allocated to the royalties division.

The Managing Board of HUGO BOSS AG is the chief operating decision maker of the HUGO BOSS Group.

Management of the regional business units is aligned to the value added contribution at Group level.

The most important earnings indicator used by the Managing Board to make decisions about resources to be allocated to segments is EBITDA before special items. The segment result is thus defined as EBITDA before special items of the sales units plus the gross profit margin of the sourcing units and intercompany royalty sales.

Group financing (including interest income and expenses) and income taxes are managed on a Group-wide basis and are not allocated to operating segments.

Management of the operating figures inventories and trade receivables is assigned to the sales territories. These items are regularly reported to the Managing Board. Consequently, segment assets only contain trade receivables and inventories.

Liabilities are not part of internal management reporting. The segment liabilities are therefore not disclosed.

The accounting rules applied in the segment information are in line with the accounting rules of the HUGO BOSS Group as described in the accounting policies.

The Managing Board regularly reviews certain effects recognized in the statement of comprehensive income, including in particular amortization, depreciation and impairment losses.

Capital expenditure is also regularly reported to the Managing Board as part of internal reporting, making it a component of segment reporting.

All expenses and assets that cannot be directly allocated to the sales territories or the royalties segment are reported in the reconciliations below under corporate units/consolidation. All Group-wide central functions are pooled in the corporate units. The remaining expenses of the procurement, production, and R&D units make up an operating cost center. No operating income is allocated to the corporate units.

(in EUR thousand)

	Europe[2]	**Americas**	**Asia/Pacific**	**Royalties**	**Total operating segments**
2013					
Sales	**1,457,389**	**570,104**	**346,777**	**57,863**	**2,432,133**
Segment profit	**498,049**	**152,013**	**117,291**	**49,301**	**816,654**
In % of sales	34.2	26.7	33.8	85.2	33.6
Segment assets	209,729	143,200	79,360	17,623	449,912
Capital expenditure	53,013	39,110	33,603	1	125,727
Impairments	(9,125)	(2,661)	(2,095)	0	(13,881)
Thereof property, plant and equipment	(8,188)	(2,661)	(2,043)	0	(12,892)
Thereof intangible assets	(937)	0	(52)	0	(989)
Depreciation/amortization	(27,862)	(17,687)	(16,709)	0	(62,258)
SAR expenses and hedging	0	0	0	0	0
2012					
Sales	**1,377,934**	**558,725**	**352,683**	**56,512**	**2,345,854**
Segment profit[1]	**475,034**	**140,357**	**118,807**	**50,402**	**784,600**
In % of sales[1]	34.5	25.1	33.7	89.2	33.4
Segment assets[1]	182,434	169,279	72,158	17,764	441,635
Capital expenditure	43,743	28,511	25,769	8	98,031
Impairments	(5,111)	(1,684)	(1,523)	0	(8,318)
Thereof property, plant and equipment	(3,890)	(1,420)	(1,336)	0	(6,646)
Thereof intangible assets	(1,221)	(264)	(187)	0	(1,672)
Depreciation/amortization	(24,507)	(13,501)	(15,017)	0	(53,025)
SAR expenses and hedging	0	0	0	0	0

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

[2] Including Middle East/Africa.

RECONCILIATION

SALES

(in EUR thousand)

	2013	2012
Sales – operating segments	**2,432,133**	**2,345,854**
Corporate Units	0	0
Consolidation	0	0
TOTAL	**2,432,133**	**2,345,854**

OPERATING INCOME

(in EUR thousand)

	2013	2012[1]
Segment profit – operating segments	**816,654**	**784,600**
Depreciation/amortization – operating segments	(62,258)	(53,025)
Impairments – operating segments	(13,881)	(8,318)
Special items – operating segments	(3,010)	(157)
Operating income (EBIT) – operating segments	**737,505**	**723,100**
Corporate units	(287,047)	(301,555)
Consolidation	5,695	10,494
Operating income (EBIT) HUGO BOSS Group	**456,153**	**432,039**
Net interest income/expenses	**(14,428)**	**(18,021)**
Other financial items	**(8,259)**	**(5,826)**
Earnings before taxes HUGO BOSS Group	**433,466**	**408,192**

[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 (for more details see notes to the Consolidated Financial Statements, "Changes in accounting policies/corrections", page 170).

CAPITAL EXPENDITURES

(in EUR thousand)

	2013	2012
Capital expenditure – operating segments	**125,727**	**98,031**
Corporate units	59,577	67,771
Consolidation	0	0
TOTAL	**185,304**	**165,802**

DEPRECIATION/AMORTIZATION

(in EUR thousand)

	2013	2012
Depreciation/amortization – operating segments	**62,258**	**53,025**
Corporate units	31,371	28,344
Consolidation	0	0
TOTAL	**93,629**	**81,369**

IMPAIRMENTS

(in EUR thousand)

	2013	2012
Impairment – operating segments	**13,881**	**8,318**
Corporate units	(2,248)	2,249
Consolidation	0	0
TOTAL	**11,633**	**10,567**

SAR-EXPENSES AND HEDGING

(in EUR thousand)

	2013	2012
SAR-expenses and hedging – operating segments	**0**	**0**
Corporate units	(295)	(86)
Consolidation	0	0
TOTAL	**(295)**	**(86)**

SEGMENT ASSETS

(in EUR thousand)

	2013	2012[1]
Segment assets – operating segments	**449,912**	**441,635**
Corporate units	217,129	194,424
Consolidation	0	0
Current tax receivables	10,781	10,891
Current financial assets	23,323	26,541
Other current assets	69,402	61,347
Cash and cash equivalents	119,242	254,606
Current assets HUGO BOSS Group	**889,789**	**989,444**
Non-current assets	611,545	587,726
Total assets HUGO BOSS Group	**1,501,334**	**1,577,170**

[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 (for details see Notes to the consolidated financial statements, "Changes in accounting policies/corrections", page 170).

GEOGRAPHIC INFORMATION

(in EUR thousand)

	Third party sales		Non-current assets	
	2013	2012	**2013**	2012
Germany	416,541	400,676	177,813	201,539
Other European markets	1,039,163	976,293	172,910	164,405
U.S.A.	447,504	433,582	54,191	40,221
Other North, Central and South American markets	123,162	125,190	14,527	16,795
China	211,761	211,365	38,823	38,080
Other Asian markets	136,139	142,236	40,180	29,201
Royalties	57,863	56,512	15,046	15,065
TOTAL	**2,432,133**	**2,345,854**	**513,490**	**505,306**

In the 2013 reporting period, 4% of consolidated net sales were generated with one customer (prior year: 4%). This was allocable to the Americas. The second and third-largest customers accounted for 3% (prior year: 3%) and 2% (prior year: 2%) respectively and were allocable to Europe and the royalties segment.

36| RELATED PARTY DISCLOSURES

All entities and persons who fulfill the preconditions of IAS 24.9 are deemed to be related parties.

In the reporting period from January 1 to December 31, 2013, the following transactions were conducted with related parties requiring disclosure:

PARENT COMPANY

In fiscal year 2010, HUGO BOSS AG and Red & Black Holding GmbH, Oberursel (Taunus), as the direct parent company of HUGO BOSS AG, concluded a service agreement. This service agreement governs the preparation of quarterly and annual financial statements as well as the consolidated financial statements of Red & Black Holding GmbH, Oberursel (Taunus). In return, HUGO BOSS AG receives an adequate annual fee at arm’s length conditions amounting to EUR 50 thousand (2012: EUR 50 thousand). Effective July 1, 2013, Red & Black Holding GmbH, Oberursel (Taunus) was merged into Red & Black Lux S.à.r.l., Luxembourg. As of December 31, 2013, the Group had a receivable of EUR 50 thousand from this business transaction (December 31, 2012: EUR 50 thousand).

In the period from January 1 to December 31, 2013, legal transactions were conducted with Permira Holdings Limited, Guernsey, as the ultimate parent company of the HUGO BOSS Group, and with companies affiliated with this company; these pertained to the supply of goods amounting to EUR 0 thousand (2012: EUR 0 thousand). There were no open items relating to these business transactions as of December 31, 2013.

NON-CONSOLIDATED SUBSIDIARIES

No transactions were conducted with the non-consolidated subsidiary HUGO BOSS Finland OY in fiscal year 2013. In the prior year, sales from supplies amounting to EUR 486 thousand were performed with the subsidiary HUGO BOSS RUS LLC, which was not consolidated at the time; this led to outstanding receivables in the same amount as of December 31, 2012. The company has been included in the basis of consolidation since fiscal year 2013.

ASSOCIATES

A construction support services agreement is in place between Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG and HUGO BOSS AG. This encompasses the preparation, execution and monitoring of construction projects including planning, preparation of building applications, validation of invoicing and the conclusion of agreements on behalf and for the account of Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG in connection with the establishment of a flat-packed goods distribution center in Filderstadt. For the provision of construction support services, HUGO BOSS AG receives a fixed fee of EUR 250 thousand, that falls due when the facility goes into operation.

RELATED PARTIES

Related parties comprise members of the Managing Board and Supervisory Board. Members of the Supervisory Board and Managing Board are reported on pages 252 to 253.

Compensation of active members of the managing board

The compensation within the meaning of IAS 24 for active members of the Managing Board is as follows:

The expense for short-term employee benefits totaled EUR 4,321 thousand in 2013 (2012: EUR 3,303 thousand). In 2013, the service cost of EUR 1,638 thousand was incurred for company pension plans (2012: EUR 1,793 thousand). An expense of EUR 1,596 thousand was incurred for other long-term employee benefits reportable in 2013 (2012: EUR 5,583 thousand). As in the prior year, no expenses were incurred from termination benefits relating to members of the Managing Board active in the reporting year. There are no obligations to make share-based payments to active members of the Managing Board, nor were there any in the prior year.

By resolution of the Annual Shareholders' Meeting of June 21, 2010, the individual amounts paid to members of the Managing Board are not disclosed. Accordingly, the disclosures required under Sec. 285 Sentence 1 No. 9 a) Sentences 5 to 8 HGB and Sec. 314 (1) No. 6 a) Sentences 5 to 8 HGB are not made for a period of five years. This applies to the fiscal year beginning on January 1, 2010 and the following four fiscal years, i.e., until December 31, 2014. As a consequence, the total remuneration is disclosed as an aggregate amount and broken down into the individual compensation components.

Total compensation of the members of the Managing Board with the meaning of Sec. 314 (1) No. 6 a) Sentences 1 to 4 HGB came to EUR 5,211 thousand in fiscal year 2013 (prior year: EUR 7,053 thousand). Of this amount, EUR 3,466 thousand was attributable to fixed salary components including fringe benefits (2012: EUR 3,303 thousand). An amount of EUR 855 thousand (2012: EUR 0 thousand) is allocable to the annual bonus agreed for fiscal year 2013; this will be paid in fiscal year 2014 within a week of the Supervisory Board approving the consolidated financial statements for 2013. In addition, the compensation for fiscal year 2013 contains an amount of EUR 890 thousand (2012: EUR 3,750 thousand) that is related to the multiple-year bonus for 2010–2012 determined based on actual target realization and constitutes the difference between the amount of EUR 4,640 thousand paid out in 2013 and the amount of EUR 3,750 thousand proportionately provided for in prior years.

In fiscal year 2013, no loans were granted to nor contingent liabilities assumed in favor of members of the Managing Board.

Compensation of former members of the Managing Board

In 2013, former members of the Managing Board and their surviving dependents received total remuneration of EUR 3,967 thousand (2012: EUR 15,226 thousand). This contains payments of EUR 3,774 thousand to former members of the Managing Board in connection with post-employment benefits and the exercise of outstanding participation rights from the stock appreciation rights program of EUR 3,774 thousand (2012: EUR 15,035 thousand). Through the sale of the purchase option obtained to hedge against the participation rights there is no additional cash outflow for the Group.

There are pension obligations of EUR 22,811 thousand for former members of the Managing Board and their surviving dependents (2012: EUR 22,909 thousand). The corresponding plan assets in the form of employer's liability insurance amounts to EUR 17,390 thousand (2012: EUR 17,101 thousand).

Former members of the Managing Board do not hold any participation rights from the tranches of the stock appreciation rights program issued in the fiscal years 2001 to 2009 (2012: 68,760). Accordingly, the fair value of the outstanding participation rights tranche 8 comes to EUR 0 thousand as of the reporting date (December 31, 2012: EUR 2,967 thousand). The options had a fair value of EUR 0 thousand when they were exercised. Owing to the 1:1 hedging of participation rights using call options, the effects on earnings from changes in the fair value of participation rights and call options offset each other. Detailed disclosures on share-based payments required by GAS 17.73 are presented in Note 37.

Compensation of the Supervisory Board

The Supervisory Board received remuneration for its activities in 2012 amounting to EUR 2,058 thousand. For fiscal year 2013, total remuneration is expected to come to EUR 2,163 thousand. This figure includes a provision for the variable component of EUR 1,408 thousand (2012: EUR 1,259 thousand), which is measured in the amount of the earnings per share in the consolidated financial statements. The total compensation of the Supervisory Board falls due in the short term.

In total, the members of the Managing Board and Supervisory Board hold less than 1% (2012: less than 1%) of the shares issued by HUGO BOSS AG.

Members of the Managing Board and Supervisory Board purchase HUGO BOSS products as part of the compensation in kind granted to them supplementary to their salary and for their personal use. Besides this, no significant transactions were concluded between companies of the HUGO BOSS Group and key management personnel and their close family members.

In addition, a type of share-based payment was introduced in 2008 for members of the Managing Board and for second-tier executives with the management participation program (MPP). Under the MPP, managers can obtain a direct investment in Red & Black TopCo S.à.r.l., Luxembourg, which is a related party within the meaning of IAS 24.9. Reference is made to Note 37 as regards the framework conditions of the MPP.

37| SHARE-BASED PAYMENTS

STOCK APPRECIATION RIGHTS PROGRAM

In fiscal 2001, HUGO BOSS AG introduced a stock appreciation rights program for Managing Board members and executives.

Under the stock appreciation rights program executives of HUGO BOSS AG and its subsidiaries are granted a certain number of participation rights, which allowed them to benefit from increases in the value of the HUGO BOSS AG share. The participation rights can only be settled in cash and do not entitle the holder to any HUGO BOSS AG shares.

1) Program change 2009

In order to avoid additional expenses in connection with hedging instruments, management of HUGO BOSS AG decided in December 2009 to revise the general terms and conditions of the stock appreciation rights program. Effective December 14, 2009, all eligible executives were therefore offered the following revised program:

1 / Waiver of the participation rights and all rights from the tranches issued in the years 2005 through 2008 in exchange for cash compensation
2 / Adjustment of the exercise conditions for the tranche issued in 2009

The compensation payment for the waiver of the rights relating to tranches 5 to 8 corresponded to the sum of the option value of each tranche multiplied by the number of participation rights. The option value factored into the calculation was determined as of December 14, 2009 by external banks engaged by HUGO BOSS AG using a valuation model as is customary in the sector. The reference value used for the share price was the unweighted average closing price of preferred shares of HUGO BOSS AG in the Xetra index of the Frankfurt stock exchange on the five trading days immediately preceding December 14, 2009.

To limit upside and downside effects from extraordinary and unforeseeable share price developments, the revised program set floors and caps on the exercise premium possible per option for the participation rights in tranche 9. In effect, the remuneration granted corresponded to at least the difference between the imputed market capitalization allocable to a preference share of HUGO BOSS AG for the five trading days immediately preceding December 14, 2009 and the strike price of the preferred share, but no more than EUR 33.20. In addition, effective December 14, 2009, the revised program allowed eligible parties to exercise up to one third of the participation rights of tranche 9 early prior to the expiry of the vesting period. This was possible for the first time as of December 14, 2009. The exercise gain in such an event corresponded to the aforementioned minimum remuneration of EUR 11.77.

Under the revised program, the holding period was prolonged to a period of three years ending December 31, 2011, (a two-year period was set prior to the revision of the program); accordingly, the exercise period was shortened to a period of two years ending December 14, 2013, (a three-year exercise period was set prior to the revision of the program). The total term of the tranche 9 issued in fiscal year 2009 remained unchanged at 5 years.

Following the continuous increase in the share price, the maximum possible exercise gain per option for the participation rights of tranche 9 had already been reached in October of fiscal year 2010. Under the program revised in 2009, tranche 9 could be fully exercised for the first time at the beginning of 2012.

2) Early termination of tranche 9

As the stock appreciation rights program causes a considerable administrative expense in both the HR and Finance departments of the HUGO BOSS Group, management of HUGO BOSS AG decided to terminate tranche 9 early and offered all holders of participation rights in tranche 9 a payout of the maximum exercise gain possible per option exercised as of December 15, 2010. Early termination of the program did not result in any additional expenses, provided the share price did not exceed EUR 45.00 at the end of 2011. The expenses from the pro rata additions to provisions for tranche 9 relating to 2011 were merely brought forward to 2010.

As of December 31, 2010, the share price of the preferred shares stood at EUR 56.50 and was thus significantly above the share price of EUR 45.00 that would entail the maximum possible exercise gain.

Under the revised program, any remaining participating rights of tranche 8 could still be exercised under the rules of the original option conditions.

3) General terms and conditions of stock appreciation rights program

With the exception of the replaced tranches 9, the other tranches of the stock appreciation rights program had a term of six years. The four-year exercise period began upon expiry of the lock-in period of two years. Under the revised program in 2009, any remaining participating rights of tranches 5 to 8 could still be exercised under the regulations governing the rules of the original option conditions.

If the development of the market capitalization of HUGO BOSS AG exceeded the development of the MDAX by 5 percentage points (exercise hurdle) at the end of the lock-up period or during the subsequent exercise period, participation rights in tranche 8 could be exercised. The remuneration payable was determined by reference to the difference between the market capitalization allocable to a preferred share of HUGO BOSS based on the average share price during the five trading days preceding the date of exercise and the strike price of the preferred share pursuant to the underlying terms and conditions. The strike price corresponded to the average price of a preferred share of HUGO BOSS AG during the 20 trading days preceding the date of issue.

In order to limit the risk arising from share price fluctuations in connection with the stock appreciation rights program and hence the potential impact on the cash flow and earnings of HUGO BOSS AG, a corresponding hedging program was entered into at the end of 2007 with effect as of fiscal year 2008. Under the hedging program, HUGO BOSS AG purchased in the first quarter of fiscal year 2008 from independent banks U.S. call options for HUGO BOSS preferred shares with the same terms as the stock appreciation rights (SAR) granted. The subscription right was 1:1, i.e., each option corresponded to one preferred share. The total investment volume was just under EUR 33 million.

If the corresponding call options were sold back to the issuing bank when the stock option rights were exercised by employees, the outflow of funds from the exercise of stock option rights was offset by an inflow of funds from the sale of call options.

The obligations arising from the SARs for HUGO BOSS AG which were recognized in the form of corresponding provisions and the call options used as hedging instruments were recognized at fair value though profit or loss as of each reporting date. The measurement of the call options and SAR obligation was based on the market values provided by the issuing banks. As the value of the call options and the corresponding SARs were identical at the reporting date, the resulting effects on earnings largely offset each other.

Changes in the value of SARs with effect on profit or loss within the exercise period together with the corresponding hedging transaction were netted against the personnel expenses of the function administration expenses and other operating expenses/income.

In fiscal year 2013, as in the prior year, the stock appreciation rights did not affect personnel expenses, as the hedging transactions offset the expenses from the remeasurement of the SAR provision.

Income from the measurement and derecognition of hedging transactions are reported in the financial result at EUR 295 thousand (2012: EUR 73 thousand).

For fiscal year 2013, expenses totaling EUR 295 thousand (2012: EUR 86 thousand) resulted in connection with stock appreciation rights. No stock appreciation rights remained as of December 31, 2013. The provisions were utilized in full in connection with the amounts paid out in fiscal year 2013 (2012: EUR 2,967 thousand). The intrinsic value (2012: EUR 2,961 thousand) and fair value (2012: EUR 6 thousand) of the participation rights were therefore no longer recognized. There were no derivatives used for hedging purposes left in the portfolio (2012: fair value of EUR 2,920 thousand).

At the Annual Shareholders' Meeting of HUGO BOSS AG on May 8, 2008 a resolution was passed by majority vote to pay out a special dividend. The SAR parameters were adjusted to the EUREX conditions in line with the prevailing exercise conditions of the SAR program. An R-factor of 87.24% was used in this context, which means that the previous strike prices (100%) and quantities were adjusted by this factor. This results in the following adjusted strike prices:

	Tranche 7	**Tranche 8**
Date of issue	**Januar 2007**	**Januar 2008**
Strike price (EUR) pre special dividend	39.08	42.11
Strike price (EUR) post special dividend	34.09	36.74

The stock appreciation rights program developed as follows in 2013 and 2012:

	2013	**WASP 2013[1] (EUR)**	2012	WASP 2012[1] (EUR)
Number of SARs on Jan. 1	68,760	36.74	118,093	35.63
Newly granted SARs	0	0.00	0	0.00
Forfeited SARs	0	0.00	0	0.00
Exercised SARs	(68,760)	36.74	(48,760)	34.09
Expired SARs	0	0.00	(573)	34.09
Replaced SARs	0	0.00	0	0.00
Number of SARs on Dec. 31	0	0.00	68,760	36.74
Number of SARs exercisable on Dec. 31	0	0.00	68,760	36.74

[1] WASP = Weighted average strike price.

All remaining options were exercised in 2013. Derivatives held for hedging purposes were sold in connection with the exercise.

In fiscal year 2013, EUR 3,774 thousand in connection with the stock appreciation rights program was paid out to eligible executives (2012: EUR 2,397 thousands).

MANAGEMENT PARTICIPATION PROGRAM

Under the management participation program (MPP) introduced in 2008, members of the Managing Board and second tier executives were given the opportunity to invest indirectly in Red & Black TopCo S.à r.l. in exchange for a payment. Since the restructuring performed at the end of 2009, Red & Black TopCo S.à r.l. holds through Red & Black Lux S.à r.l. an indirect investment in HUGO BOSS AG and a directly 100% of the shares in Valentino Fashion Group S.p.A. To this extent, management of HUGO BOSS has not only invested in the HUGO BOSS Group, but also in the companies of the Valentino Fashion Group not controlled or influenced by HUGO BOSS.

The indirect investment in Red & Black TopCo S.à r.l. is held via a German partnership: Red & Black Management Beteiligungs GmbH & Co. KG“ („MPP KG“). MPP KG holds a 0.07% investment in the voting capital of Red & Black TopCo S.à r.l. and holds what are referred to as „Class D shares“. The partnership agreement has been concluded for an indefinite period of time, but at least until the end of 2024. The legal position of the managers in the MPP KG is governed by the partnership agreement. The maximum investment in MPP KG is set individually. The managers are the limited partners in MPP KG filed in the commercial register.

At the end of 2010, the MPP was modified for managers who already held an investment (hereinafter „old managers“), and managers who did not yet hold and investment (hereinafter „new managers“) were again offered the opportunity to invest in MPP KG.

The new managers acquired the limited partnership interests in MPP KG in December 2010 at the attributable fair value at the time. The old managers continue to hold the shares MPP KG they acquired in 2008. The shares in MPP KG held by the old managers are neither exchanged nor sold.

Following the restructuring of MPP, in the event of an IPO or the sale of the HUGO BOSS Group (hereinafter „exit“), management of HUGO BOSS is to participate through the MPP KG only in the exit proceeds allocable to HUGO BOSS (hereinafter „HB AG proceeds“). All proceeds and costs allocable to Valentino Fashion Group S.p.A. would be eliminated in the process of determining the HB AG proceeds. The right to participate in these HB AG proceeds arises pro rata temporis over a multi-year vesting period ending on December 31, 2014.

As part of the modification of the MPP, the subordination to the individual financial instruments and the ratchet of these class D shares no longer apply. With respect to the partnership agreement, the restructuring led to the creation of what is referred to as liquidity preferences. These give priority for certain capital before distribution of the HB AG proceeds to the limited partners and serve as financial compensation for investors for the decline in value of the class D shares in the interim compared to the current fair value.

If MPP shares attributable to managers are sold as part of any exit, the manager is entitled to a proportionate amount of the HB AG proceeds generated net of liabilities and liquidation preferences. The managers' entitlement to payouts of the proportionate residual sales proceeds is tied to the condition that the manager concerned has not left the HUGO BOSS Group at the time of the exit. The only restrictions on the entitlement to payouts of the proportionate exit proceeds pertain to managers that leave the Company before an exit. If a manager leaves the company prematurely, Red & Black TopCo S.à r.l. has the right to acquire the interests held by the manger concerned. The manager leaving is classified as what is referred to as a „good leaver" or a „bad leaver" when determining the acquisition price.

If the planned exit is executed, future profit distributions and future gains on disposal are allocated to participating members of the Managing Board and executives based on their position as partners. In such cases HUGO BOSS would not incur any staff costs that would have to be posted to profit or loss.

As in the prior year, in 2013, the MPP did not affect the profit or loss of the HUGO BOSS Group, as no exits or comparable transactions have been entered into since the introduction of the MPP that would have required measurement at fair value. No assets or liabilities were recognized in connection with the MPP as of December 31, 2010 and as of the reporting date.

38| SUBSEQUENT EVENTS

Between the end of the fiscal year 2013 and the release for publication of this report on February 19, 2014 there were no significant macroeconomic, socio-political, industry-related or company-specific changes which management expects to have a material impact on the Company's results of operations, net assets and financial position.

39| GERMAN CORPORATE GOVERNANCE CODE

In December 2013, the Managing Board and Supervisory Board of HUGO BOSS AG issued the declaration of compliance prescribed by Sec. 161 AktG. It is available for shareholders on the Company's website.

40| AUDITOR FEES

(in EUR thousand)

	2013	2012
Audit services	384	328
Tax advisory services	118	76
Other services	192	176
Other assurance services	5	23
TOTAL	**699**	**603**

INFORMATION CONCERNING THE MAJORITY SHAREHOLDER

On October 17, 2005, HUGO BOSS AG received the following notification from V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 21 of the German Securities Trading Act (WpHG) of March 12, 2003:

"Referring to our notification of March 12, 2003, we hereby inform you that on September 28, 2005 the Company changed its name from Marzotto International N.V. to V.F.G. International N.V.

We continue to hold 78.76% of the voting share capital."

Metzingen, October 2005
The Managing Board

On August 8, 2007, HUGO BOSS AG received from the following companies and individuals the following correction of the notifications on voting rights dated August 3, 2007 pursuant to Section 21 Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG).

7. RED & BLACK HOLDCO S.À R.L.
Red & Black HoldCo S.à r.l. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Red & Black HoldCo S.à r.l., Luxembourg (address: 282, route de Longwy, L -1940 Luxembourg), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Red & Black HoldCo S.à r.l. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Red & Black HoldCo S.à r.l. indirectly via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Red & Black HoldCo S.à r.l. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

8. RED & BLACK HOLDCO 2 S.À R.L.
Red & Black HoldCo 2 S.à r.l. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Red & Black HoldCo 2 S.à r.l., Luxembourg (address: 282, route de Longwy, L -1940 Luxembourg), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Red & Black HoldCo 2 S.à r.l. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Red & Black HoldCo 2 S.à r.l. indirectly via Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Red & Black HoldCo 2 S.à r.l. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

9. P4 SUB L.P.1
P4 Sub L.P.1 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by P4 Sub L.P.1, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to P4 Sub L.P.1 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by P4 Sub L.P.1 indirectly via Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to P4 Sub L.P.1 as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V., pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

10. PERMIRA IV L.P.1
Permira IV L.P.1 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV L.P.1, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV L.P.1 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV L.P.1 indirectly via P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV L.P.1 as a result of the own shares held by HUGO BOSS AG indirectly via P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

11. PERMIRA IV MANAGERS L.P.
Permira IV Managers L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV Managers L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV Managers L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV Managers L.P. indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l, Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Managers IV L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo

S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

12. PERMIRA IV MANAGERS LIMITED
Permira IV Managers Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV Managers Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV Managers Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV Managers Limited indirectly via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Managers IV Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira Managers IV L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

13. PERMIRA IV L.P.2
Permira IV L.P.2 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV L.P.2, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV L.P.2 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV L.P. 2 indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV L.P.2 as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

14. P4 CO-INVESTMENTS L.P.
P4 Co-Investments L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by P4 Co-Investments L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to P4 Co-Investments L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by P4 Co- Investments L.P. indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino

Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to P4 Co-Investments L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

15. PERMIRA INVESTMENTS LIMITED
Permira Investments Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira Investments Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira Investments Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, Pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira Investments Limited indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Investments Limited as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

16. PERMIRA IV GP L.P.
Permira IV GP L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV GP L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV GP L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV GP L.P. indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV GP L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV L.P. 1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

17. PERMIRA IV GP LIMITED

Permira IV GP Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV GP Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV GP Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV GP Limited indirectly via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV GP Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

18. PERMIRA NOMINEES LIMITED

Die Permira Nominees Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira Nominees Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira Nominees Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira Nominees Limited indirectly via Permira Investments Limited, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Nominees Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira Investments Limited, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

- On March 14, 2008, HUGO BOSS was notified of the following voting rights announcement pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of the entities mentioned in the following:

  “On March 11, 2008 Red & Black 2 S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy) was merged into Red & Black S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy). Thereby Red & Black 2 S.r.l. has lapsed.

  Legal successor is Red & Black S.r.l. Against the background of the above mentioned merger we inform you in the name and by order of Red & Black S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy) pursuant to 21 paragraph 1, 22 WpHG (German Securities Trading Act) about the following:

As legal successor of Red & Black S.r.l. 2, Milan (address: via San Paolo 10, 20121 Milan, Italy): The proportion of voting rights of Red & Black S.r.l. 2, Milan (address: via San Paolo 10, 20121 Milan, Italy), held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on March 11, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself:
The proportion of voting rights of Red & Black S.r.l., Milan (address: via San Paolo 10, 20121 Milan, Italy), held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, continues to amount to more than 75% of the voting rights as of March 11, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black S.r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled indirectly by Red & Black S.r.l. via Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black S.r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act)."

Metzingen, March 14, 2008
The Managing Board

- On March 25, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Red & Black S.p.A.:

  Red & Black S.r.l, Milan, Italy has been converted in Red & Black S.p.A. Milan, Italy. Also after the effectiveness of the conversion of form on March 19, 2008 the company Red&Black S.p.A. held in HUGO BOSS AG, Metzingen, Germany voting rights of more than 75%. With effect of the conversion of form on March 19, 2008 the proportion of the voting rights of Red & Black S.p.A. Milan, Italy, held in HUGO BOSS AG, Metzingen, Germany is 89.49% (32,092,026 voting rights). Thereof the proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black S.p.A. from shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled indirectly by Red & Black S.p.A. via Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black S.r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, March 26, 2008
The Managing Board

- On April 23, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Red & Black TopCo S.à r.l., Luxembourg as of Red & Black Lux S.à r.l., Luxembourg.

  On April 21, 2008 Red & Black TopCo 2 S.à r.l., Luxembourg was merged into Red & Black TopCo S.à r.l., Luxembourg. Also on April 21, 2008, in a second step, Red & Black Lux 2 S.à r.l., Luxembourg was merged into Red & Black Lux S.à r.l., Luxembourg. Thereby Red & Black TopCo 2 S.à r.l. and Red & Black Lux 2 S.à r.l. have lapsed. Legal successor of Red & Black TopCo 2 S.à r.l. is Red & Black TopCo S.à r.l.; Legal successor of Red & Black Lux 2 S.à r.l. is Red & Black Lux S.à r.l. Against the background of the above mentioned merger Red & Black TopCo S.à r.l. as well as Red & Black Lux S.à r.l. inform pursuant to section 21 paragraph 1, 22 WpHG (German Securities Trading Act) about the following:

1. Red & Black TopCo S.à r.l., as legal successor of Red & Black TopCo 2 S.à r.l., Luxembourg:
The proportion of voting rights of Red & Black TopCo 2 S.à r.l., Luxembourg held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on April 21, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself:
The proportion of voting rights of Red & Black TopCo S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, continues to amount to more than 75% of the voting rights as of April 21, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black TopCo S.à r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is controlled by Red & Black TopCo S.à r.l. indirectly via Red & Black Lux S.à r.l., Luxembourg, Red & Black S.p.A., Milan, Italy, and Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black TopCo S.à r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

2. Red & Black Lux S.à r.l., as legal successor of Red & Black Lux 2 S.à r.l., Luxembourg:
The proportion of voting rights of Red & Black Lux 2 S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on April 21, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself:
The proportion of voting rights of Red & Black Lux S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, continues to amount to more than 75% of the voting rights as of April 21, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black Lux S.à r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is controlled by Red & Black Lux S.à r.l. indirectly via Red & Black S.p.A., Milan, Italy, and Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black Lux S.à r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, April 24, 2008
The Managing Board

- On May 2, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Valentino Fashion Group S.p.A., Milan, Italy (until May 1, 2008 trading under the name of Red & Black S.p.A., Milan, Italy), registered in the company register Milan on June 26, 2007 under the number 05786030964:

1. On May 1, 2008 Valentino Fashion Group S.p.A., Milan, Italy registered in the company register on February 15, 2005 under the number 047403870962 (hereinafter referred to as "Valentino Old") was merged into Red & Black S.p.A., Milan, Italy. Thereby Valentino Old has lapsed. Legal successor is Red & Black S.p.A., Milan, Italy.

2. In the course of the above mentioned merger the company Red & Black S.p.A. was renamed Valentino Fashion Group S.p.A. (hereinafter referred to as "Valentino New") on May 1, 2008.

3. Against the background of the above mentioned merger and renaming, Valentino New pursuant to section 21 paragraph 1 and section 22 WpHG makes the following notification:

As the legal successor of Valentino Old:
The proportion of voting rights of Valentino Old held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on May 1, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself:
The proportion of voting rights of Valentino New held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, continues to amount to more than 75% of the voting rights as of May 1, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Valentino New from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled by Valentino New. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Valentino New from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, May 2, 2008
The Managing Board

- On August 6, 2008, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

  The proportion of voting rights of Permira Holdings LLP, London, UK, held in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, exceeded the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% und 3% on August 04, 2008 and has stood at 89.49% of the voting rights since this day (32,092,026 shares). A proportion of voting rights of 88.02% (31,563,471 voting rights) of the shares held by V.F.G. International N.V. is attributable to Permira Holdings LLP, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled by Permira Holdings LLP indirectly via Permira Holdings Limited, Permira IV Managers Limited, Permira IV Managers L.P., Permira IV GP Limited, Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Permira IV L.P.2, P4 Co-Investments L.P., Permira Investments Limited, Permira Nominees Limited, Red & Black HoldCo S.à r.l., Red & Black TopCo S.à r.l., Red & Black Lux S.à r.l. and Valentino Fashion Group SpA. A further proportion of voting rights of 1.47% (528,555 shares) is attributable to Permira Holdings LLP of the own shares held by HUGO BOSS AG via Permira Holdings Limited, Permira IV Managers Limited, Permira IV Managers L.P., Permira IV GP Limited, Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Permira IV L.P.2, P4 Co-Investments L.P., Permira Investments Limited, Permira ominees Limited, Red & Black HoldCo S.à r.l., Red & Black TopCo S.à r.l., Red & Black Lux S.à r.l., Valentino Fashion Group S.p.A and V.F.G. International N.V. pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, August 7, 2008
The Managing Board

- On September 24, 2009, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

The proportion of voting rights of Permira Holdings LLP, London, UK, held in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on September 21, 2009 and now stands at 0.00% (no voting rights).

For clarification, please note that the proportion of voting rights of all other companies for which their current proportion of voting rights subject to reporting requirements that have up to now been attributable to HUGO BOSS AG remain unaffected by the fact that the party obligated to report has gone below the limits as reported above. Permira Holdings Limited, and not Permira Holdings LLP, is now the controlling company in the existing structure.

Metzingen, September 25, 2009
The Managing Board

- On December 23, 2009, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

1. Valentino Fashion Group S.p.A.
Valentino Fa8shion Group S.p.A., Milan, Italy, notified us of the following: We, the Valentino Fashion Group S.p.A., hereby inform you pursuant to section 21 paragraph 1 WpHG (German Securities Trading Act) that on December 23, 2009 our proportion of voting rights held in HUGO BOSS AG went below the limits of 75%, 50%, 30%, 25%, 20%, 15%, ,10%, 5% and 3% and now amounts to 0.00% (0 voting rights). For clarification, please note that the proportion of voting rights of all other companies to which their current proportion of Valentino Fashion Group S.p.A. voting rights attributable to HUGO BOSS AG shares remain unaffected by the fact that the Valentino Fashion Group S.p.A. has gone below the limits as reported above. Permira Holdings Limited remains the controlling company in the existing structure.

2. Blitz F09-vier-sechs GmbH
Blitz F09-vier-sechs GmbH, Frankfurt/Main, Germany, notified us of the following:

We, Blitz F09-vier-sechs GmbH, hereby inform you pursuant to section 21 paragraph 1 WpHG (German Securities Trading Act) that on December 23, 2009 our proportion of voting rights held in HUGO BOSS AG exceeded the limits of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% and now stands at 89.49% (32,092,026 voting rights).

A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Blitz F09-vier-sechs GmbH from the shares held by V.F.G. INTERNATIONAL N.V., Rotterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 WpHG (German Securities Trading Act).

A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Blitz F09-viersechs GmbH from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in WpHG (German Securities Trading Act). For clarification: The above voting rights limits were exceeded because of an internal Group restructuring. Permira Holdings Limited remains the controlling company in the existing structure.

Metzingen, December 28, 2009
The Managing Board

- On March 24, 2010, HUGO BOSS AG was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of the entities mentioned in the following:

1. V.F.G. International N.V., Amersfoort, Netherlands:
On March 23, 2010 the proportion of voting rights of V.F.G. International N.V., Amersfoort, Netherlands held in HUGO BOSS AG has gone below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% und 3% and amounts to 0,00% (no shares) on this day.

2. Red & Black Holding GmbH (formerly Blitz F09-vier-sechs GmbH), München, Germany:
On March 23, 2010 the proportion of voting rights of (formerly Blitz F09-vier-sechs GmbH), München, Germany held in HUGO BOSS AG, Metzingen, Germany, amounts still to more than 75% of the voting rights, namely 89,49% of the voting rights (32.092.026 shares). Thereof a proportion of voting rights of 88,02% (31.563.471 shares) of Red & Black Holding GmbH pursuant to § 21 Abs. 1 WpHG are held directly.

A further proportion of voting rights of 1,47% (528,555 shares), own shares held by HUGO BOSS AG, pursuant to section 22 paragraph 1 sentence 1 No. 1 WpHG, shall be attributable to Red & Black Holding GmbH.

For clarification it is mentioned that the proportions of voting rights of all other companies, of which their former proportion of voting rights with HUGO BOSS AG has been attributed to V.F.G. International N.V., are unaffected by the shortfall of the above mentioned limits of V.F.G. International N.V.. The controlling company in the existing structure remains Permira Holdings Limited.

Metzingen, March 26, 2010
The Managing Board

- On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of UniCredit Bank AG:

  UniCredit Bank AG, as at 1 February 2012 directly held financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire up to 88.02% of the voting rights (31,563,471 out of 35,860,000 common shares) in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. The instruments com-prise loan collaterals that were granted to us in connection with our lending business in 2009, i.e. a call option which enables us to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable us to acquire up to 88.02% of the voting rights.

  Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012
The Managing Board

- On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of UniCredit S.p.A.:

UniCredit S.p.A., via our German subsidiary UniCredit Bank AG, as at 1 February 2012 indirectly held fi-nancial and other instruments pursuant to section 25a para. 1 WpHG which are struc-tured in a manner that enables UniCredit Bank AG to acquire up to 88.02% of the voting rights (31,563,471 out of 35,860,000 common shares) in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. The instruments comprise loan collaterals that were granted in connection with its lending business in 2009, i.e. a call option which enables UniCredit Bank AG to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable UniCredit Bank AG to acquire up to 88.02% of the voting rights.

The instruments are held via the following controlled undertaking:

UniCredit Bank AG.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012
The Managing Board

- On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of Mediobanca – Banca di Credito Finanziario S.p.A.:

  Mediobanca – Banca di Credito Finanziario S.p.A., as at 1 February 2012 directly held a financial instrument pursuant to section 25a para. 1 WpHG which is structured in a manner that enables us to acquire up to 44.01% of the voting rights (15,781,735 out of 35,860,000 common shares) in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. The instrument is a call option granted to us in connection with our lending business in 2009 that enables us to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions.

  Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012
The Managing Board

- On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of PFC Srl, Vicenza, Italy:

  PFC Srl held/would have held on 1st February 2012 by aggregating a voting rights proportion of 88.34% (equals: 31,680,229 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

  - voting rights from common shares, we are enabled under certain circumstances to indirectly acquire on the basis of a directly held instrument pursuant to sec. 25a para. 1 sentence 1 WpHG, and

- voting rights held by us pursuant to sec. 21 WpHG

In detail,

- our voting rights proportion pursuant to sec. 21 WpHG amounts to 0.33% (equals: 116,758 voting rights), and

- our voting rights proportion indirectly acquirable on the basis of a directly held instru-ment pursuant to sec. 25a para. 1 sentence 1 WpHG amounts to 88.02% (equals: 31,563,471 voting rights).

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and ZETA FINANCE S.A. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco").

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April 13, 2012
The Managing Board

- On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of Zeta Finance S.A., Luxemburg, Luxemburg:

  Zeta Finance S.A. held on 1st February 2012 an instrument pursuant to sec. 25a para. 1 sen-tence 1 WpHG enabling us under certain circumstances to indirectly acquire voting rights in the proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

  The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding com-pany Red & Black Topco S.à r.l. ("Topco").

  The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April 13, 2012
The Managing Board

- On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of Zignago Holding S.p.A., Fossalta di Portogruaro (VE), Italy:

  Zignago Holding S.p.A. held on 1st February 2012 indirectly an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG under which ZETA FINANCE S.A. is enabled to indirectly acquire voting rights in the proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

  The instrument indirectly held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between ZETA FINANCE S.A. and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco"). The instrument indirectly held by us is directly held by ZETA FINANCE S.A. which is directly controlled by us.

  The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable ZETA FINANCE S.A. – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April 13, 2012
The Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- On June 18, 2012, HUGO BOSS AG received the following voting rights notifications in accordance with Sections 21 (1) and 22 WpHG from the companies specified below:

  1. Red & Black Holding GmbH
  On June 15, 2012, the share of voting rights held by Red & Black Holding GmbH, Oberursel, Germany, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is held by Red & Black Holding GmbH directly in accordance with Section 21 (1) WpHG. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

  2. Red & Black Lux S.à r.l.
  On June 15, 2012, the share of voting rights held by Red & Black Lux S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Lux S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled by Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Lux S.à r.l. via Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

3. Red & Black Topco S.à r.l.

On June 15, 2012, the share of voting rights held by Red & Black Topco S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Topco S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Topco S.à r.l. via Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Topco S.à r.l. via Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

4. Red & Black Holdco S.à r.l.

On June 15, 2012, the share of voting rights held by Red & Black Holdco S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Holdco S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Holdco S. à r.l. via Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holdco S.à r.l. via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

5. Red & Black Holdco 2 S.à r.l.

On June 15, 2012, the share of voting rights held by Red & Black Holdco 2 S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Holdco 2 S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Holdco 2 S.à r.l. via Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holdco 2 S.à r.l. via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

6. P4 Sub L.P.1

On June 15, 2012, the share of voting rights held by P4 Sub L.P.1, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to P4 Sub L.P.1 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by P4 Sub L.P.1 via Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to P4 Sub L.P.1 via Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

7. Permira IV L.P.1

On June 15, 2012, the share of voting rights held by Permira IV L.P.1, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV L.P.1 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV L.P.1 via P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV L.P.1 via P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

8. Permira IV Managers L.P.

On June 15, 2012, the share of voting rights held by Permira IV Managers L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV Managers L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV Managers L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV Managers L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

9. Permira IV Managers Limited

On June 15, 2012, the share of voting rights held by Permira IV Managers Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV Managers Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV Managers Limited via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV Managers Limited via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

10. Permira IV L.P.2

On June 15, 2012, the share of voting rights held by Permira IV L.P.2, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV L.P.2 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV L.P.2 via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV L.P.2 via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

11. P4 Co-Investment L.P.

On June 15, 2012, the share of voting rights held by P4 Co-Investment L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to P4 Co-Investment L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by P4 Co-Investment L.P. via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to P4 Co-Investment L.P. via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

12. Permira Investments Limited

On June 15, 2012, the share of voting rights held by Permira Investments Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Investments Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Investments Limited via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Investments Limited via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

13. Permira IV GP L.P.

On June 15, 2012, the share of voting rights held by Permira IV GP L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV GP L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV GP L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV GP L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

14. Permira IV GP Limited

On June 15, 2012, the share of voting rights held by Permira IV GP Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV GP Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV GP Limited via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV GP Limited via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

15. Permira Nominees Limited

On June 15, 2012, the share of voting rights held by Permira Nominees Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Nominees Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Nominees Limited via Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Nominees Limited via Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

16. Permira Holdings Limited
On June 15, 2012, the share of voting rights held by Permira Holdings Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Holdings Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Holdings Limited via Permira IV GP Limited, Permira IV GP L.P., Permira IV Managers Limited, Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Permira Nominees Limited, Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Holdings Limited via Permira IV GP Limited, Permira IV GP L.P., Permira IV Managers Limited, Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Permira Nominees Limited, Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

Metzingen, June 21, 2012
The Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by PFC S.r.l., Vicenza, Italy, on June 18, 2012:

"We herewith notify pursuant to sec. 25a para. 1 WpHG that on 15 June 2012 by aggregating

- voting rights from common shares, we are enabled under certain circumstances to indirectly acquire on the basis of a directly held instrument pursuant to sec. 25a para. 1 sentence 1 WpHG, and

- voting rights held by us pursuant to sec. 21 WpHG we held/would have held a voting rights proportion of 65.93% (equals: 46,413,470 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

In detail:

- our voting rights proportion pursuant to sec. 21 WpHG amounts to 0.37% (equals: 257,158 voting rights), and

- our voting rights proportion indirectly acquirable on the basis of a directly held in-strument pursuant to sec. 25a para. 1 sentence 1 WpHG amounts to 65.56% (equals: 46,156,312 voting rights).

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten An-gebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and ZETA FINANCE S.A. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco").

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 65.56% (equals: 46,156,312 voting rights)."

Metzingen, June 21, 2012
Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by UniCredit Bank AG on June 19, 2012:

„We hereby notify you pursuant to section 25a para. 1 WpHG that on 15 June 2012 we, UniCredit Bank AG, have fallen below the threshold of 75% of the voting rights in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. We directly hold financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire up to 65,56% of the voting rights (46,156,312 out of 70,400,000 common shares) in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. Falling below the threshold is a consequence of the change of number of voting rights. The instruments comprise loan collaterals that were granted to us in connection with our lending business in 2009, i.e. a call option which enables us to acquire up to 32,78% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event anable us to acquire up to 65,56% of the voting rights.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

Metzingen, June 21, 2012
Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by UniCredit S.p.A. on June 19, 2012:

"We hereby notify you pursuant to section 25a para. 1 WpHG that on 15 June 2012 we, UniCredit S.p.A., have fallen below the threshold of 75% of the voting rights in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. Via our German subsidiary UniCredit Bank AG we indirectly hold financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables UniCredit Bank AG to acquire up to 65,56% of the voting rights (46,156,312 out of 70,400,000 common shares) in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany. Falling below the threshold is a consequence of the change of number of voting rights. The instruments comprise loan collaterals that were granted in connection with its lending business in 2009, i.e. a call option which enables UniCredit Bank AG to acquire up to 32,78% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable UniCredit Bank AG to acquire up to 65,56% of the voting rights.

The instruments are held via the following controlled undertaking: UniCredit Bank AG.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

Metzingen, June 21, 2012
Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by Zeta Finance S.A., Luxembourg, Luxembourg on June 18, 2012:

"We herewith notify pursuant to sec. 25 para. 1 sentence 1 WpHG that on 15 June 2012 we held an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG enabling us under certain circumstances to indirectly acquire voting rights in the proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten An-gebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco").

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG."

Metzingen, June 21, 2012
Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG (German Securities Trading Act)

- HUGO HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by Zignago Holding S.p.A., Fossalta, Italy, on June 18, 2012:

  "We herewith notify pursuant to sec. 25a para. 1 WpHG that on 15 June 2012 we indirectly held an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG under which ZETA FINANCE S.A. is enabled to indirectly acquire voting rights in the proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

  The instrument indirectly held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between ZETA FINANCE S.A. and PFC S.r.l. as minority sharehold-ers and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority sharehold-ers of the holding company Red & Black Topco S.à r.l. ("Topco"). The instrument indirectly held by us is directly held by ZETA FINANCE S.A. which is directly controlled by us.

  The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable ZETA FINANCE S.A. – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such sub-sidiary which in turn – among other assets – currently indirectly holds a voting rights pro-portion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG."

Metzingen, June 21, 2012
Managing Board

Notification pursuant to section 26 WpHG (German Securities Trading Act)

- On January 24, 2013 HUGO BOSS was notified of the following voting rights announcement pursuant to section 25a WpHG (German Securities Trading Act) of Mediobanca – Banca di Credito Finanziario S.p.A., Milan, Italy:

  "We hereby notify you pursuant to section 25a para. 1 WpHG that since 21 January 2013 we no longer hold any financial or other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire voting rights in HUGO BOSS AG. Therefore, on 21 January 2013 we have fallen below the thresholds of 30%, 25%, 20%, 15%, 10% and 5% pursuant to section 25a para. 1 WpHG.

  Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

Metzingen, January 25, 2013
The Managing Board

Notification of voting rights pursuant to sec. 26 para. 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 21 para. 1 WpHG in connection with sec. 22 para. 1 sentence 1 No. 6 WpHG by Capital Research and Management Company, Los Angeles, USA on November 29, 2013:

  „On November 26, 2013 Capital Research and Management Company exceeded the threshold of 3% of the voting rights in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen. Capital Research and Management Company held 3,03% (2.134.075 common shares) of the voting rights in HUGO BOSS AG on the day aforementioned.

  3,03% of the voting rights (2.134.075 common shares) in HUGO BOSS AG are valuated to Capital Research and Management Company according to sec. 22 para. 1 sentence 1 No. 6 WpHG. No independent fund is holding more than 3% of the voting rights in HUGO BOSS AG."

Metzingen, December 3, 2013
The Managing Boar

Notification of voting rights pursuant to sec. 26 para. 1 WpHG (German Securities Trading Act)

- HUGO BOSS AG received the following information referring to notification pursuant to sec. 21 para. 1 WpHG in connection with sec. 22 para. 1 sentence 1 No. 6 WpHG and sec. 22 para. 1 sentence 2 and sentence 3 WpHG by The Capital Group Companies, Inc., Los Angeles, USA on November 29, 2013:

  „On November 26, 2013 The Capital Group Companies, Inc. exceeded the threshold of 3% of the voting rights in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen. The Capital Group Companies, Inc. held 3,03% (2.134.075 common shares) of the voting rights in HUGO BOSS AG on the day aforementioned.

  3,03% of the voting rights (2.134.075 common shares) in HUGO BOSS AG are valuated to The Capital Group Companies, Inc. according to sec. 22 para. 1 sentence 1 No. 6 WpHG in connection with sec. 22 para. 1 sentence 2 and sentence 3 WpHG. No independent fund is holding more than 3% of the voting rights in HUGO BOSS AG."

Metzingen, December 3, 2013
The Managing Board

Apart from that, no other shareholders have reported holdings equivalent to more than 10% of the voting rights. Moreover, the Company received no other new reports of shareholdings of 3% or more of the voting rights in HUGO BOSS AG.

MANAGING BOARD

CLAUS-DIETRICH LAHRS
Stuttgart, Germany

Chairman of the Managing Board
Responsible for
Distribution,
Retail,
Royalties,
Communication and
Global Replenishment

MARK LANGER
Stuttgart, Germany

Responsible for
Controlling,
Investor Relations,
Finance,
Legal and Compliance,
Human Resources,
Logistics,
IT and Central Services
Director for Labor Relations

CHRISTOPH AUHAGEN
Stuttgart, Germany

Responsible for
Brand Management,
Creative Management,
Sourcing and
Manufacturing

SUPERVISORY BOARD

DR. HELLMUT ALBRECHT
Munich, Germany

Management Consultant
Chairman of the Supervisory Board

ANTONIO SIMINA
Metzingen, Germany

Tailor/ Chairman of the Works Council
HUGO BOSS AG,
Metzingen, Germany
Deputy Chairman of the Supervisory Board
Employee representative

GERT BAUER
Reutlingen, Germany

First Authorized Representative of the German Metalworkers´ Union (IG Metall),
Reutlingen/Tübingen, Germany
Employee representative

HELMUT BRUST
Bad Urach, Germany

Senior Head of Social Affairs
HUGO BOSS AG,
Metzingen, Germany
Employee representative

BERND SIMBECK
Metzingen, Germany

Administrative employee
HUGO BOSS AG,
Metzingen, Germany
Employee representative

SINAN PISKIN
Metzingen, Germany

Administrative Employee
HUGO BOSS AG,
Metzingen, Germany
Employee representative

DR. MARTIN WECKWERTH
Frankfurt/Main, Germany

Partner
Permira Beteiligungsberatung GmbH,
Frankfurt/Main, Germany

MONIKA LERSMACHER
Kornwestheim, Germany

Secretary of the German Metalworkers´ Union
IG Metall Area Headquaters Baden-Württemberg,
Stuttgart, Germany
Employee representative

DAMON MARCUS BUFFINI
Surrey, Great Britain

Managing Director
Permira Advisers LLP,
London, Great Britain

LUCA MARZOTTO
Venice, Italy

Chief Executive Officer
Zignago Holding S.p.A.,
Fossalta di Portogruaro, Italy

GAETANO MARZOTTO
Milan, Italy

Chairman of the Supervisory Board
Gruppo Santa Margherita S.p.A.,
Fossalta di Portogruaro, Italy

DR. KLAUS MAIER
Stuttgart, Germany

Management Consultant

ADDITIONAL DISCLOSURES ON THE MEMBERS OF THE SUPERVISORY BOARD AND THE MANAGING BOARD

The members of HUGO BOSS' Supervisory Board are also members of an executive body at the following companies:[1]

Dr. Hellmut Albrecht	MME Moviement AG[2]	Berlin, Germany
Gert Bauer	ElringKlinger AG	Dettingen/Erms, Germany
Monika Lersmacher	Berthold Leibinger GmbH	Ditzingen, Germany
Dr. Klaus Maier	Diehl Stiftung & Co. KG Titan X Holding AB[2] Galeria Kaufhof GmbH	Nuremberg, Germany Mjällby, Sweden Cologne, Germany
Gaetano Marzotto	Zignago Holding S.p.A. Santa Margherita S.p.A.[2] Zignago Vetro S.p.A. Alpitour S.p.A.	Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Turin, Italy
Luca Marzotto	Zignago Holding S.p.A. Santa Margherita S.p.A. H. Farm Ventures S.p.A.[2] New High Glass Inc. Centervue S.p.A.[2] Vetri Speciali S.p.A. Zignago Vetro S.p.A. Kettmeir S.p.A.	Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Roncade, Italy Miami, FL, U.S.A. Padova, Italy Trent, Italy Fossalta di Portogruaro, Italy Caldaro Sulla Strada del Vino, Italy
Dr. Martin Weckwerth	Valentino Fashion Group S.p.A.	Milan, Italy

[1] The members not named have no seats on executive or advisory bodies at other companies.
[2] Memeber holds position of chairman.

The Managing Board is also member of an executive body at the following company:[1]

Claus-Dietrich Lahrs	Ravensburger AG	Ravensburg, Germany

[1] The members not named have no seats on executive or advisory bodies at other companies.

PUBLICATION

The annual and consolidated financial statements of HUGO BOSS AG are published in the electronic German Federal Gazette and on the website of HUGO BOSS.

Metzingen, February 19, 2014

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the management report, which is combined with the management report of HUGO BOSS AG, includes a fair review of the development and performance of the business and the position of the HUGO BOSS Group, together with a description of the principal opportunities and risks associated with the expected development of the Group.

Metzingen, February 19, 2014

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

AUDIT OPINION

We have issued the following opinion on the consolidated financial statements and the group management report, which has been combined with the management report of the Company:

"We have audited the consolidated financial statements prepared by HUGO BOSS AG, Metzingen, comprising the income statement, the statement of comprehensive income, the statement of financial position, the statements of cash flows and changes in equity and the notes to the consolidated financial statements, together with the group management report, which has been combined with the management report of the Company, for the fiscal year from 1 January to 31 December 2013. The preparation of the consolidated financial statements and the group management report in accordance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB ["Handelsgesetzbuch": German Commercial Code] is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and on the management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with the applicable financial reporting framework and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with IFRSs as adopted by the EU as well as the additional requirements of German commercial law pursuant to Sec. 315a (1) HGB and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with these requirements. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development."

Stuttgart, February 19, 2014

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Matischiok
Wirtschaftsprüfer
[German Public Auditor]

Koch
Wirtschaftsprüfer
[German Public Auditor]