

# HUGO BOSS

## **HUGO BOSS acquires UK franchise store operations**

### **About the transaction**

- HUGO BOSS has entered into an agreement with Moss Bros to acquire 15 monobrand franchise stores and related assets in the United Kingdom effective April 1, 2011. Moss Bros is the Group's biggest franchise partner in the UK market. The cooperation started in 1995.
- The purchase price will be GBP 16.5 million in cash (approximately EUR 19.5 million), subject to completion adjustments and related to certain conditions. It is payable upon transfer of the stores.
- Under the agreement, HUGO BOSS will acquire the assets and inventory of 15 stores currently operated as franchise stores. Stores include the New Bond Street store in London opened in June 2010 as well as the New Cathedral Street store in Manchester opened in November 2010. The stores are located in seven cities in the UK. Eight stores are located in London, two in Manchester, and one each in Glasgow, Sheffield, Leeds, Birmingham and Brighton.
- The transaction will almost double the Group's directly operated store base in the UK market. At the end of December 2010, HUGO BOSS had 18 directly operated stores in the UK. The Group expects to open another two directly operated stores by the end of March.
- HUGO BOSS expects the transaction to have a positive net effect on net sales of approx. EUR 18 million in the period between April and December 2011.
- The transaction is expected to positively impact Group EBITDA by at least EUR 5 million in the period from April to December 2011.

### **About Moss Bros Group PLC**

- Moss Bros operates 155 multi- and mono-brand stores in the UK and Irish market. The Group's Mainstream segments include the Moss, Moss Bros and Savoy Taylors Guild brands. In the Fashion segment, the Group operates Cecil Gee retail stores as well as HUGO BOSS franchise stores.
- In the financial year 2009/2010 (ending January 30, 2010), the Group generated sales of GBP 128.7 million and EBITDA before exceptional items of GBP 3.2 million