

H U G O B O S S

Conference Call

Nine Months Results
January – September 2010

Claus-Dietrich Lahrs Chief Executive Officer	Mark Langer Chief Financial Officer
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Metzingen | November 2, 2010

Claus-Dietrich Lahrs
Chief Executive Officer

AGENDA



OPERATIONAL HIGHLIGHTS FIRST NINE MONTHS



FIRST NINE MONTHS RESULTS



OUTLOOK 2010



BACKUP

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OPERATIONAL HIGHLIGHTS FIRST NINE MONTHS



FIRST NINE MONTHS RESULTS



OUTLOOK 2010

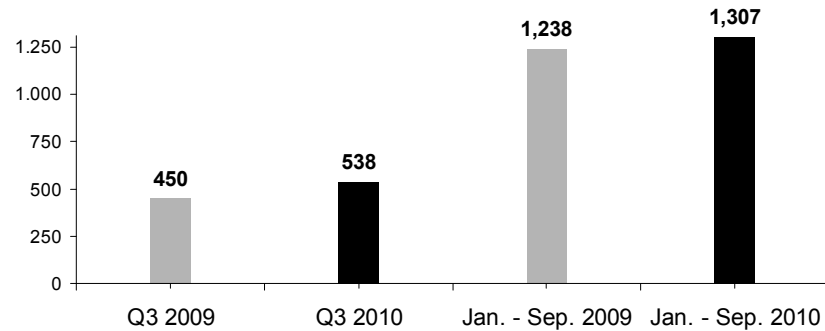


BACKUP

FIRST NINE MONTHS RESULTS AT A GLANCE

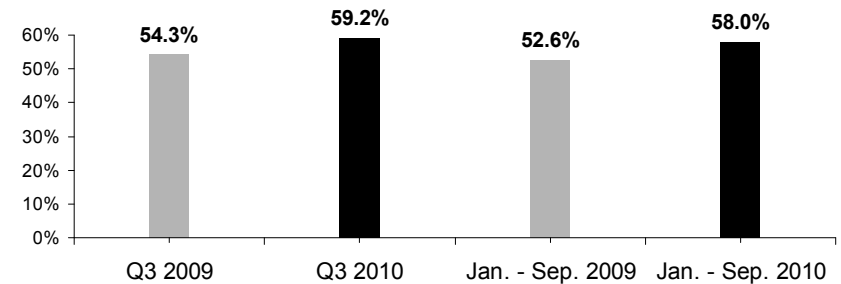
Sales

in EUR million



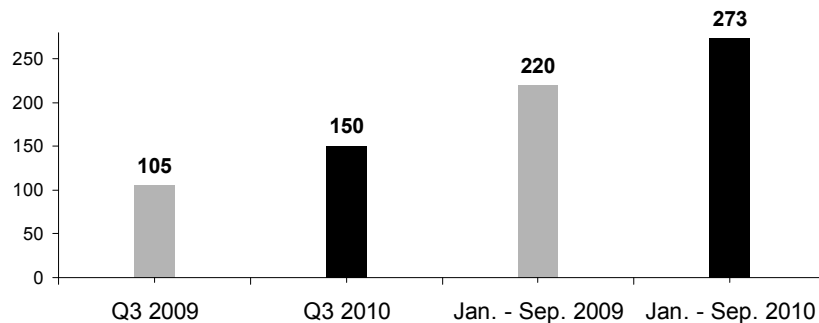
Gross Margin

in %



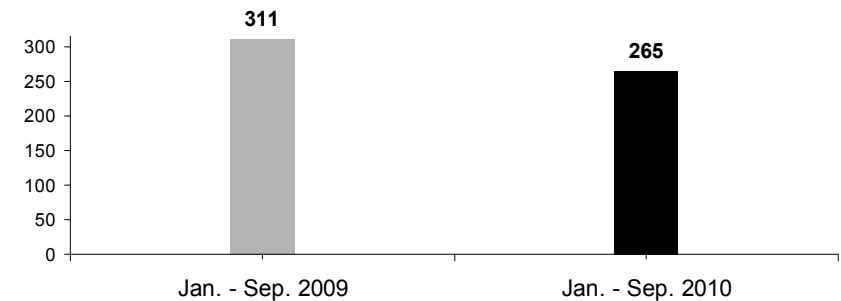
EBITDA before special items

in EUR million



Net Working Capital

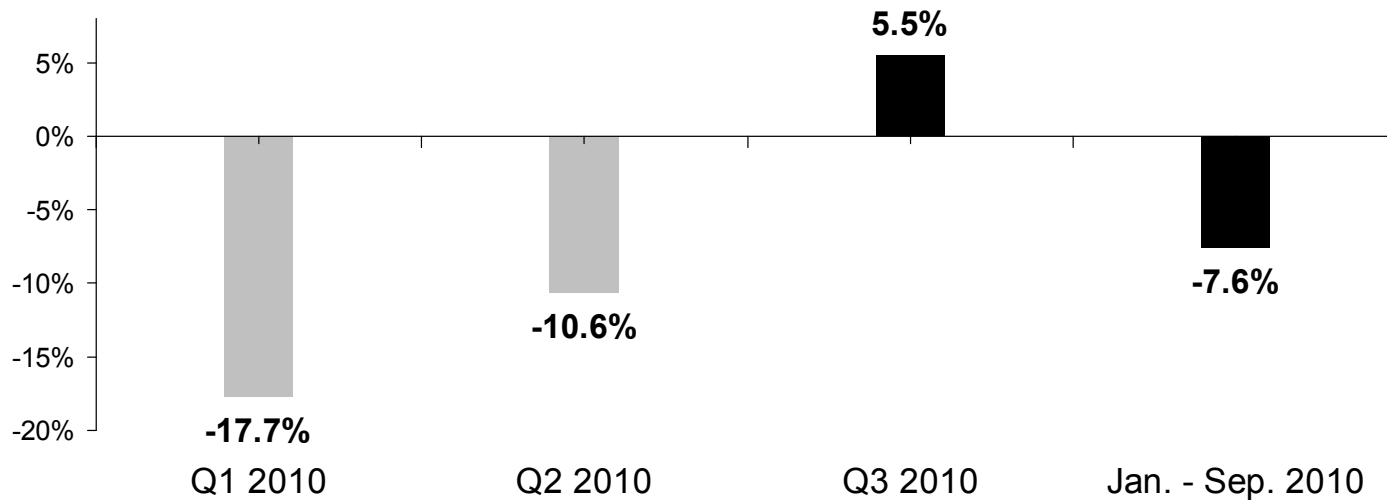
in EUR million



ACCELERATING MOMENTUM IN WHOLESALE

Wholesale sales growth by quarter, fx adjusted:

in %

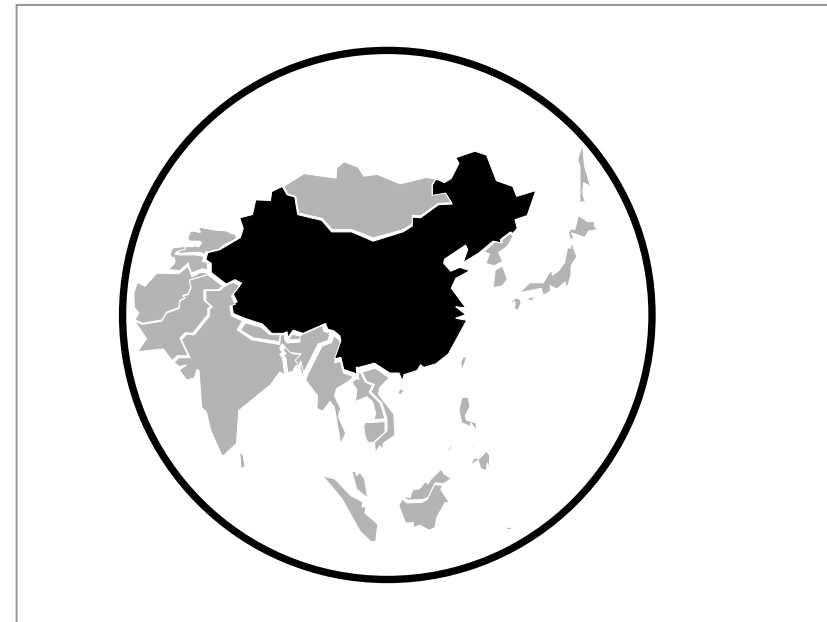


■ **Europe** and the **Americas** drive improvement compared to the first half

■ **Healthy short-term replenishment business**

NEW JOINT VENTURE IN CHINA UP AND RUNNING

- New joint venture in China with long-time franchise partner Rainbow Group established in July
- HUGO BOSS holds 60% stake
- Group benefits from partner's local market insight and infrastructure as well as access to new mall projects
- Third quarter net effect of EUR 9 million on sales



CONTINUED EXPANSION OF OWN RETAIL NETWORK



- Year-to-date, number of directly operated stores increases by 78 to 510 stores at the end of September
- 52 net additions in the third quarter, including 34 joint venture stores

ONLINE SALES TRIPLE COMPARED TO PRIOR YEAR

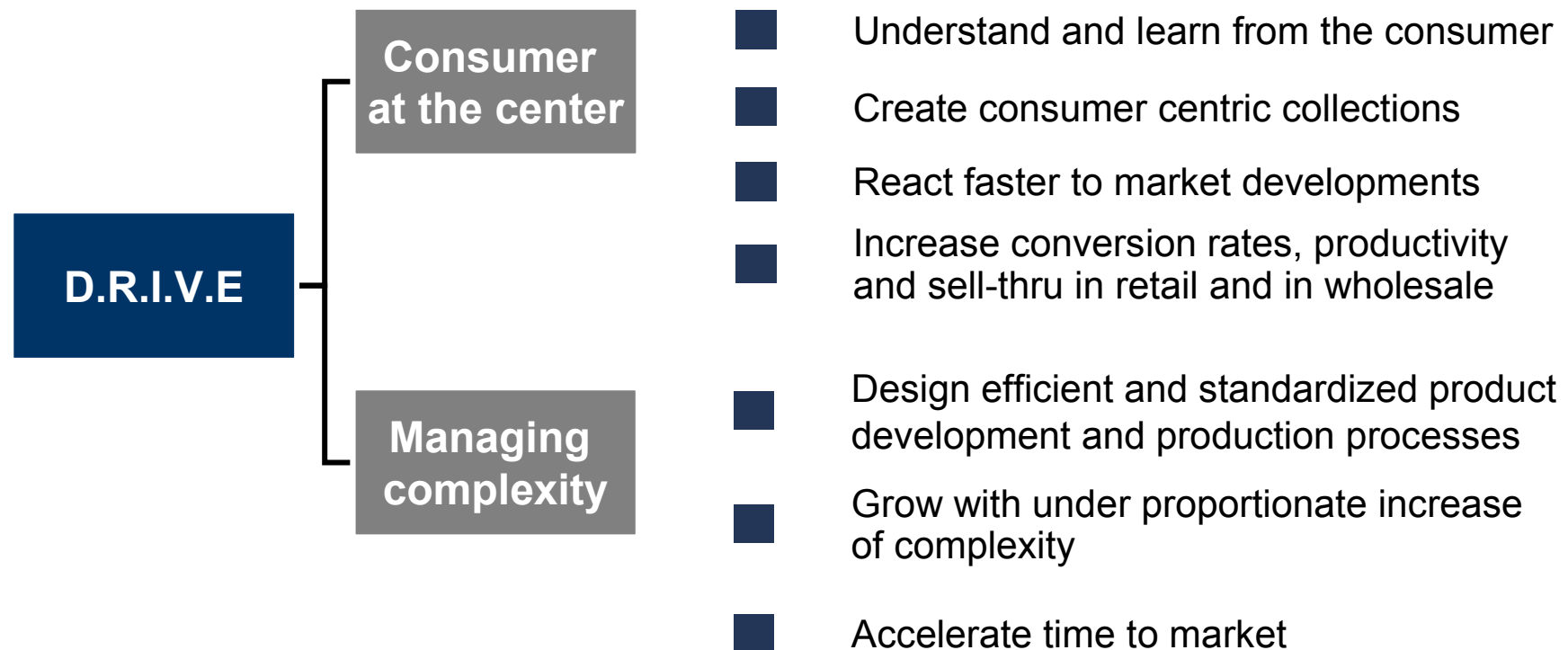
SHOP BY LOOK DAMEN

- Alle Marken und Linien
- BOSS Black
- BOSS Green
- BOSS Orange
- HUGO

SHOP BY LOOK HERREN

- Alle Marken und Linien
- BOSS Black
- BOSS Green
- BOSS Orange
- HUGO

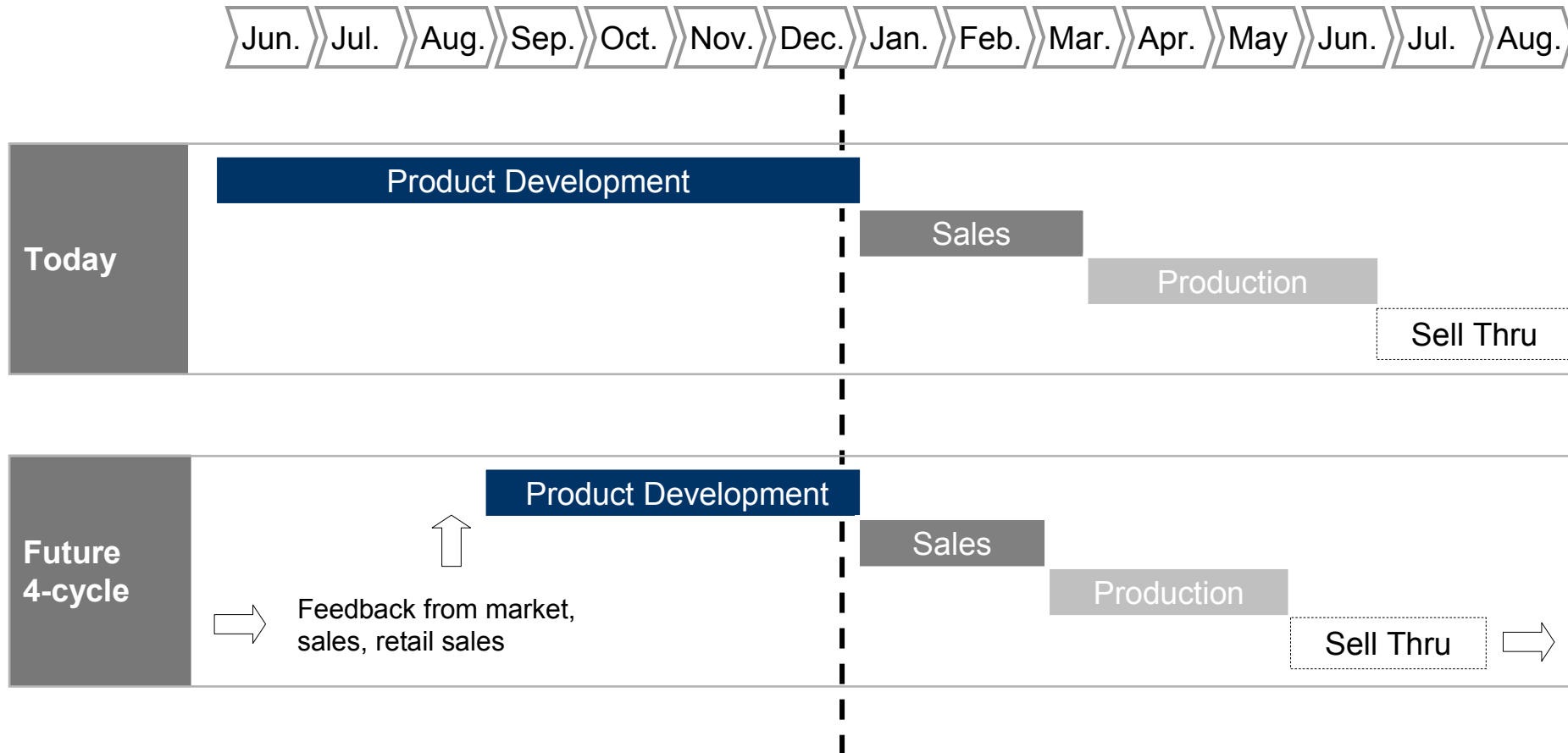
PROJECT D.R.I.V.E. PREPARES ORGANIZATION FOR FUTURE GROWTH



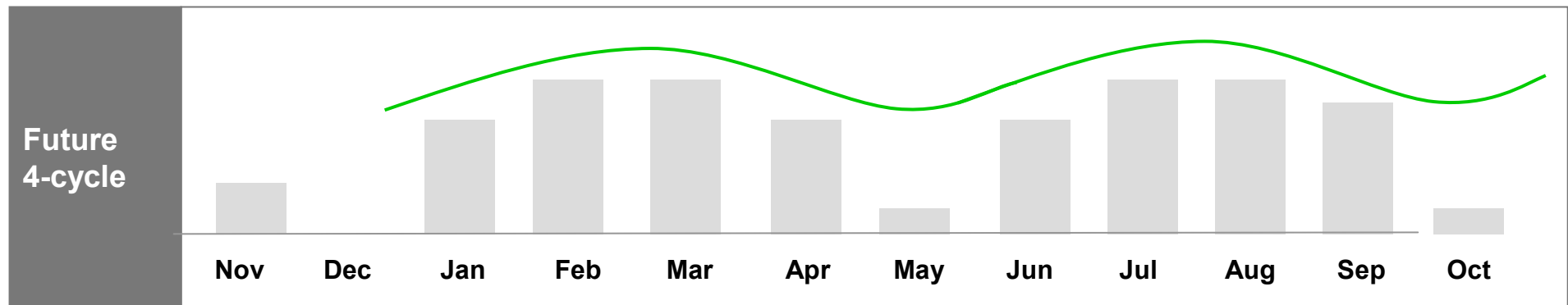
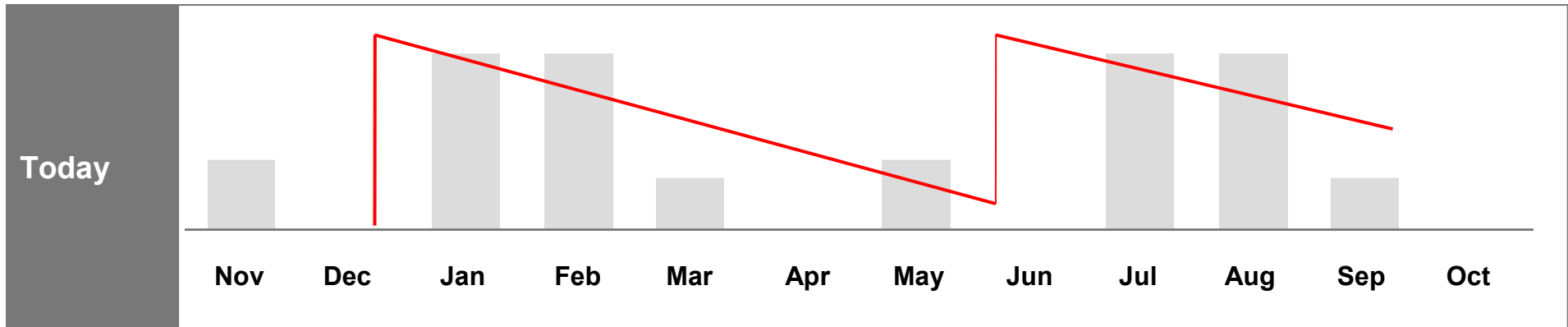
DEVELOPING TOWARDS A CONSUMER CENTRIC COMPANY



LEAD TIME REDUCTION FROM 50 TO 38 WEEKS TARGETED



FOUR SEASON CYCLE REFLECTS ACTUAL CONSUMER DEMAND



Mark Langer

Chief Financial Officer

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OUTLOOK 2010

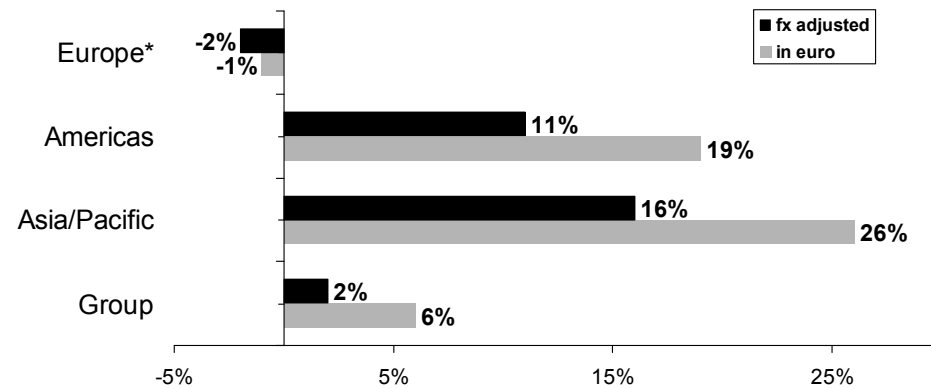


BACKUP

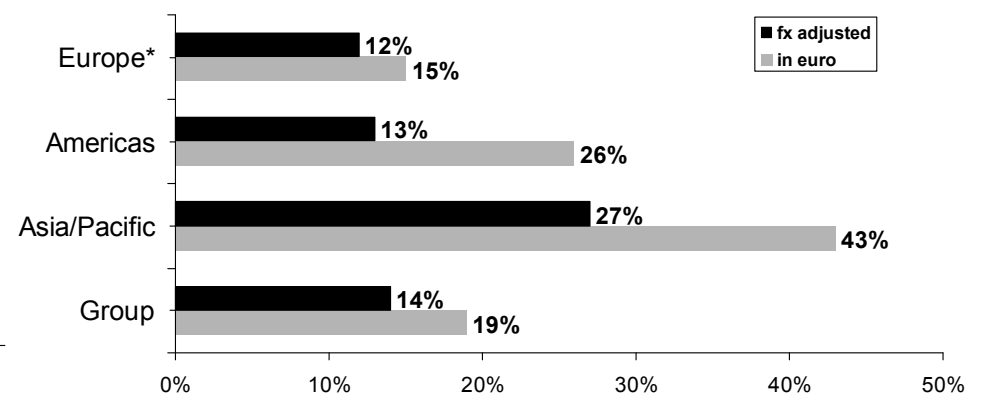
STRONG GROWTH IN ASIA/PACIFIC AND THE AMERICAS

Sales development by region, y-o-y:

Jan. - Sep. 2010



Third quarter 2010



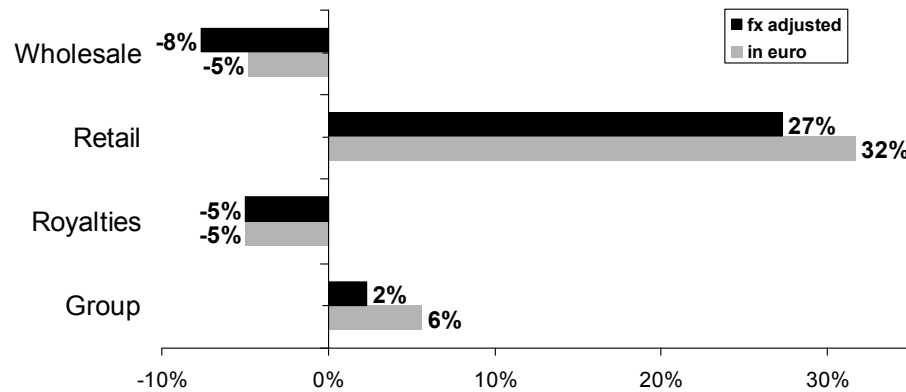
- Acceleration in wholesale drives double-digit sales growth in **Europe** in the third quarter
- Continued double-digit sales increase in the **Americas**
- China strongest growing market in **Asia/Pacific**

*incl. Middle East and Africa

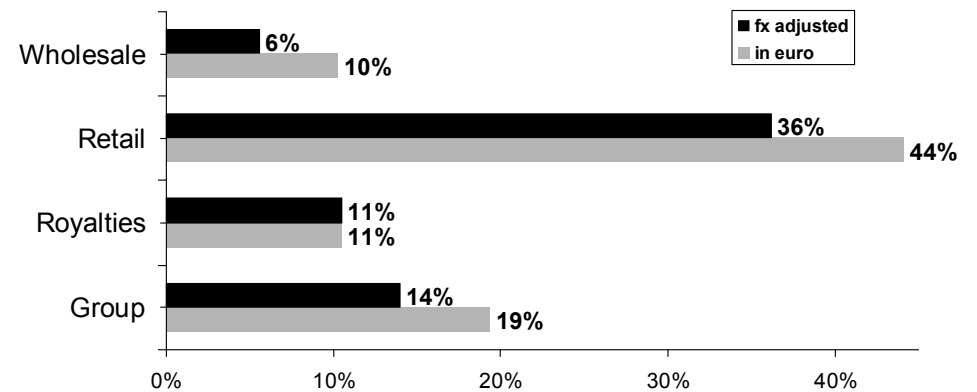
RETAIL SALES GROW AT DOUBLE-DIGIT RATES

Sales development by distribution channel, y-o-y:

Jan. - Sep. 2010



Third quarter 2010



- Third quarter improvement in **wholesale** based on better pre-order business; stock business continues to grow
- **Retail** sales increase driven by store expansion and like-for-like growth of directly operated stores (15% in Q3, 10% y-t-d, both currency-neutral)

CONTRIBUTION MARGIN IMPROVES BY 5.4 PERCENTAGE POINTS IN THE FIRST NINE MONTHS

Increase of **contribution margin** by 5.4 pp to 58.0%, mainly due to:

- Own retail
- Strict pricing discipline
- Optimization of global production and sourcing

Higher **selling & distribution** expenses primarily as a result of retail expansion

in EUR million	Jan. - Sep. 2010	Jan. - Sep. 2009	Change in %
Sales	1,307.0	1,238.0	6
Cost of Sales ¹	(521.0)	(559.9)	7
Direct selling expenses	(28.3)	(27.3)	(4)
Contribution Margin	757.7	650.8	16
in % of Sales	58.0	52.6	5.4 pp
Selling and distribution expenses	(403.0)	(360.4)	(12)
Administration costs and other operating income and expenses	(139.0)	(144.3)	4
Operating result (EBIT)	215.7	146.1	48
in % of Sales	16.5	11.8	4.7 pp
Net interest expense	(12.9)	(17.1)	24
Other financial items ¹	0.3	2.4	(88)
Financial result¹	(12.6)	(14.7)	14
Earnings before taxes	203.1	131.4	54
Income taxes	(48.3)	(32.2)	(50)
Net income	154.8	99.2	56
Attributable to:			
Equity holders of the parent	153.9	99.2	55
Minority interests	0.9	(0.0)	
Net income	154.8	99.2	56
Earnings per share (EUR)²			
Common stock	2.24	1.43	57
Preferred stock	2.25	1.44	56

¹ The previous year's figure has been adjusted due to reclassification of all fx effects to the financial result.

² No dilution: Only stock appreciation rights (SAR) issued.

SEGMENT PROFIT IMPROVEMENT IN ALL REGIONS

First nine months segment profit, y-o-y:

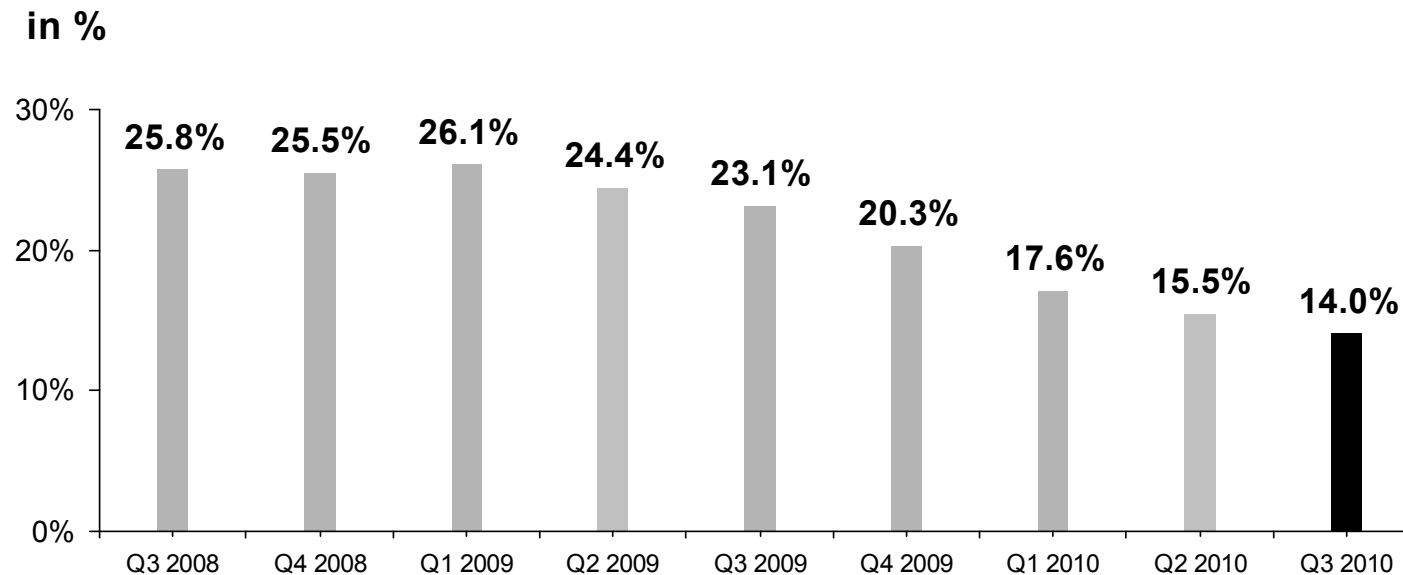
in EUR million	Jan. - Sep. 2010	In % of Sales	Jan. - Sep. 2009	In % of Sales	Change in %
Europe*	122.2	14.4	99.0	11.6	23
Americas	28.6	10.3	6.5	2.8	>100
Asia/Pacific	23.8	15.4	8.0	6.6	>100
Royalties	59.1	65.3	59.0	65.1	0
Corporate Center	52.2	6.6	47.1	6.1	11
Consolidation	(12.9)	(1.5)	0.8	0.1	
Total	273.0	20.9	220.4	17.8	24

- Own retail expansion drives profit improvement in all regions
- All regions generate double-digit profit margin in 2010

*incl. Middle East and Africa

AVERAGE NET WORKING CAPITAL REACHES RECORD LOW

Average net working capital as a percentage of sales by quarter:



■ Reduction of **net working capital** by 15% to EUR 265 mill.

■ Average net working capital as a percentage of sales declines to record low of 14.0%

TRADE RECEIVABLES DECLINE

■ Increase in **inventories** of 21% (fx adj. 14%) reflects expected sales growth, own retail expansion and first-time consolidation of joint venture in China

■ **Trade receivables** 7% below prior year period (fx adj. -11%) due to sales decline in wholesale and strict collection efforts

<u>in EUR million</u>	<u>September 30 2010</u>	<u>September 30 2009</u>	<u>Change in %</u>
Trade receivables, other assets ¹	297.0	306.0	(3)
Inventories	325.2	267.8	21
Trade payables and other liabilities ¹	(284.0)	(215.2)	(32)
Current provisions	(73.6)	(48.0)	(53)
Net working capital	264.6	310.6	(15)
Fixed assets	393.2	354.6	11
Other sundry assets	16.5	17.8	(7)
Non-current provisions	(51.5)	(36.0)	(43)
Other non-current liabilities	(32.3)	(24.3)	(33)
Net deferred taxes	27.0	31.1	(13)
Medium- and long-term net assets	352.9	343.2	3
Net assets	617.5	653.8	(6)
Net financial position ²	303.8	459.0	(34)
Shareholder's equity	313.7	194.8	61
Net asset coverage	617.5	653.8	(6)

¹ Payable within one year.

² Not including negative market values of financial instruments.

STRONG CASH FLOW DEVELOPMENT SUPPORTS NET DEBT REDUCTION

in EUR million	Jan. - Sep. 2010	Jan. - Sep. 2009
Cash flow from operating activities	170.8	229.4
Cash flow from investing activities	(37.3)	(7.2)
Cash flow from financing activities	(56.0)	(195.2)
Change in cash and cash equivalents	79.4	27.4

- **Operating cash flow** 26% below last year's level due to one-time nature of prior year net working capital reductions
- **Cash outflow from investing activities** exceeds prior year level (including first payment for China joint venture)
- **Cash flow from financing activities** mainly affected by dividend payment for fiscal year 2009
- **Net financial position** declines by 34% to EUR 304 mill. (2009: EUR 459 mill.)

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2010 FINANCIAL OUTLOOK INCREASED

	2010 Guidance (old)	2010 Guidance (new)	... 2015 Guidance
Sales growth (fx. adj.)	3 - 5%	5%	8% (CAGR)**
EBITDA growth (before special items)	10 - 12%	around 20%	11% (CAGR)**
Capex	EUR 60 - 80 mill.	around EUR 60 mill.	
Retail Network	+ 50 - 60 stores	+ 90 - 100 stores*	+ 50 - 60 stores

* Including 34 stores from joint venture in China.

** Based on 2009 full year results.

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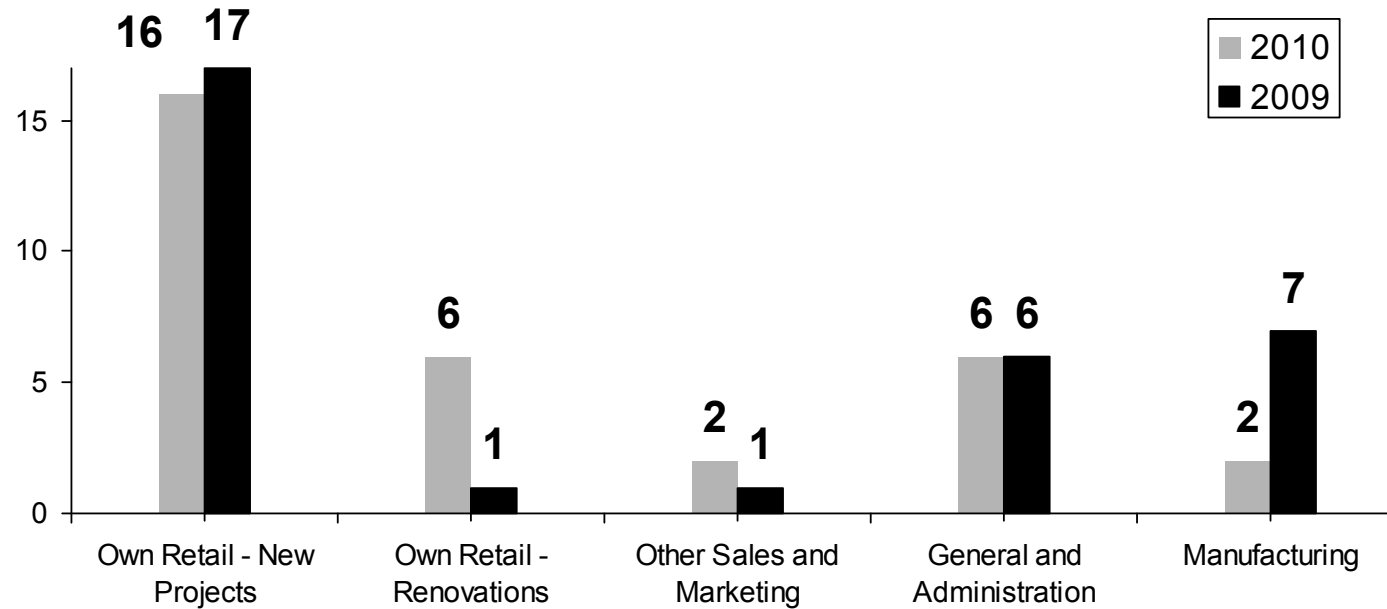
GROUP INCOME STATEMENT

in EUR million	Jan. - Sep. 2010	Jan. - Sep. 2009	Change in %	Q3 2010	Q3 2009	Change in %
Sales	1,307.0	1,238.0	6	538.0	450.4	19
Cost of Sales ¹	(521.0)	(559.9)	7	(205.1)	(195.2)	(5)
Direct selling expenses	(28.3)	(27.3)	(4)	(14.4)	(10.7)	(35)
Contribution Margin	757.7	650.8	16	318.5	244.5	30
in % of Sales	58.0	52.6	5.4 pp	59.2	54.3	4.9 pp
Selling and distribution expenses	(403.0)	(360.4)	(12)	(140.9)	(116.2)	(21)
Administration costs and other operating income and expenses	(139.0)	(144.3)	4	(49.0)	(53.9)	9
Operating result (EBIT)	215.7	146.1	48	128.6	74.4	73
in % of Sales	16.5	11.8	4.7 pp	23.9	16.5	7.4 pp
Net interest expense	(12.9)	(17.1)	24	(4.3)	(5.1)	16
Other financial items ¹	0.3	2.4	(88)	(3.6)	(1.1)	(228)
Financial result¹	(12.6)	(14.7)	14	(7.9)	(6.2)	(28)
Earnings before taxes	203.1	131.4	54	120.7	68.2	77
Income taxes	(48.3)	(32.2)	(50)	(28.5)	(16.7)	(71)
Net income	154.8	99.2	56	92.2	51.5	79
Attributable to:						
Equity holders of the parent	153.9	99.2	55	91.3	51.5	77
Minority interests	0.9	(0.0)		0.9	(0.0)	
Net income	154.8	99.2	56	92.2	51.5	79
Earnings per share (EUR)²						
Common stock	2.24	1.43	57	1.33	0.74	80
Preferred stock	2.25	1.44	56	1.34	0.75	79

¹ The previous year's figure has been adjusted due to reclassification of all fx effects to the financial result. ² No dilution: Only stock appreciation rights (SAR) issued.

INVESTMENTS FOCUS ON RETAIL EXPANSION

Investments in EUR million



■ Total **investments** decline to EUR 31 mill. In 2010 (2009: EUR 32 mill.)

FORWARD-LOOKING STATEMENTS CONTAIN RISKS

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks and uncertainties occur, or if the assumptions underlying any of these statements prove incorrect, then actual results may be materially different from those expressed or implied by such statements. We do not intend or assume any obligation to update any forward-looking statement, which speaks only as of the date on which it is made.

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