

**H U G O B O S S**

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## **ANNUAL SHAREHOLDERS' MEETING 2013**

Claus-Dietrich Lahrs (CEO)  
Stuttgart, May 16, 2013

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## Agenda

**Operational highlights**

**Financial highlights**

**Strategic initiatives and outlook**

**Summary**

## Agenda

**Operational highlights**

**Financial highlights**

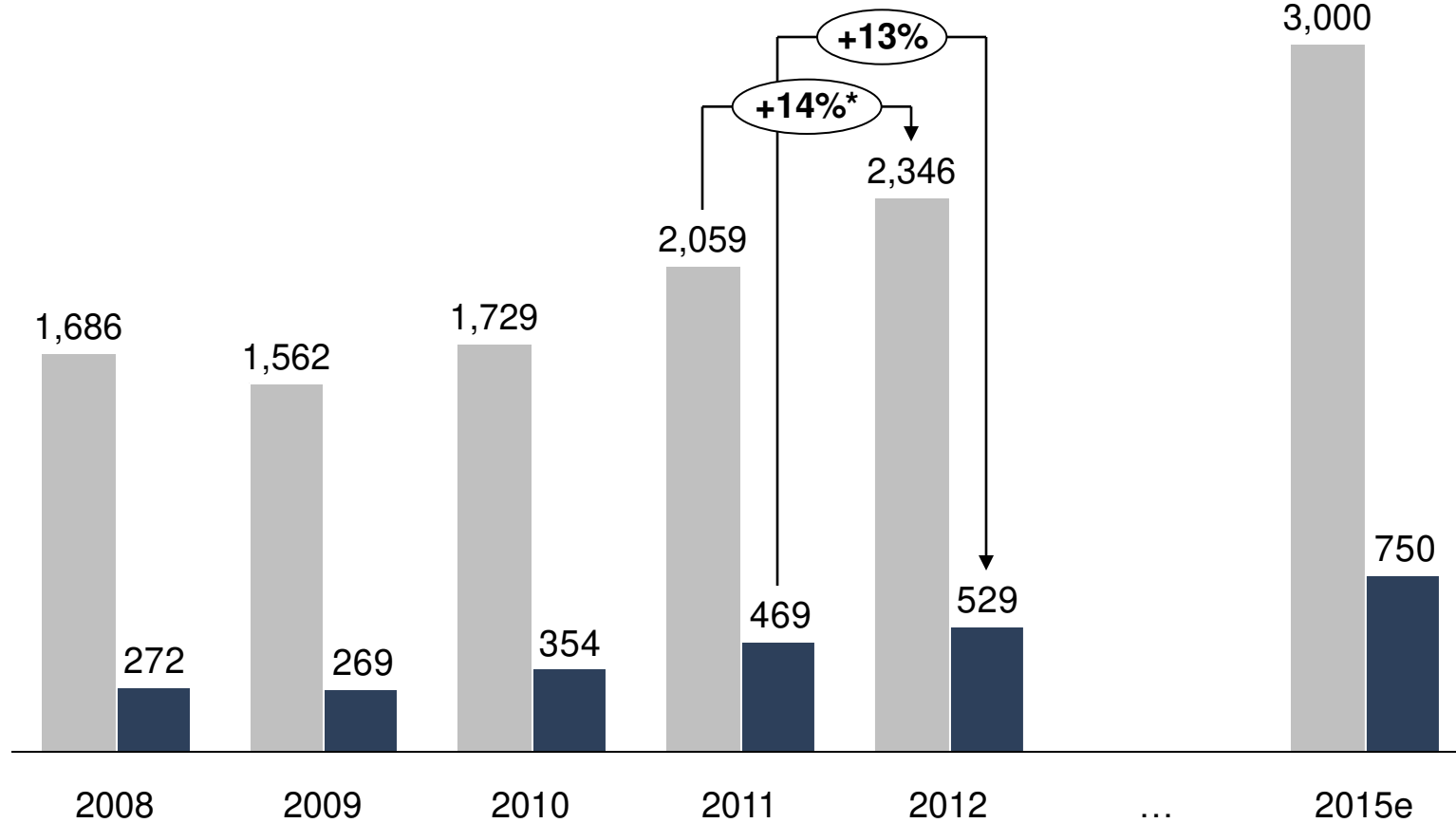
**Strategic initiatives and outlook**

**Summary**

## HUGO BOSS achieves record results

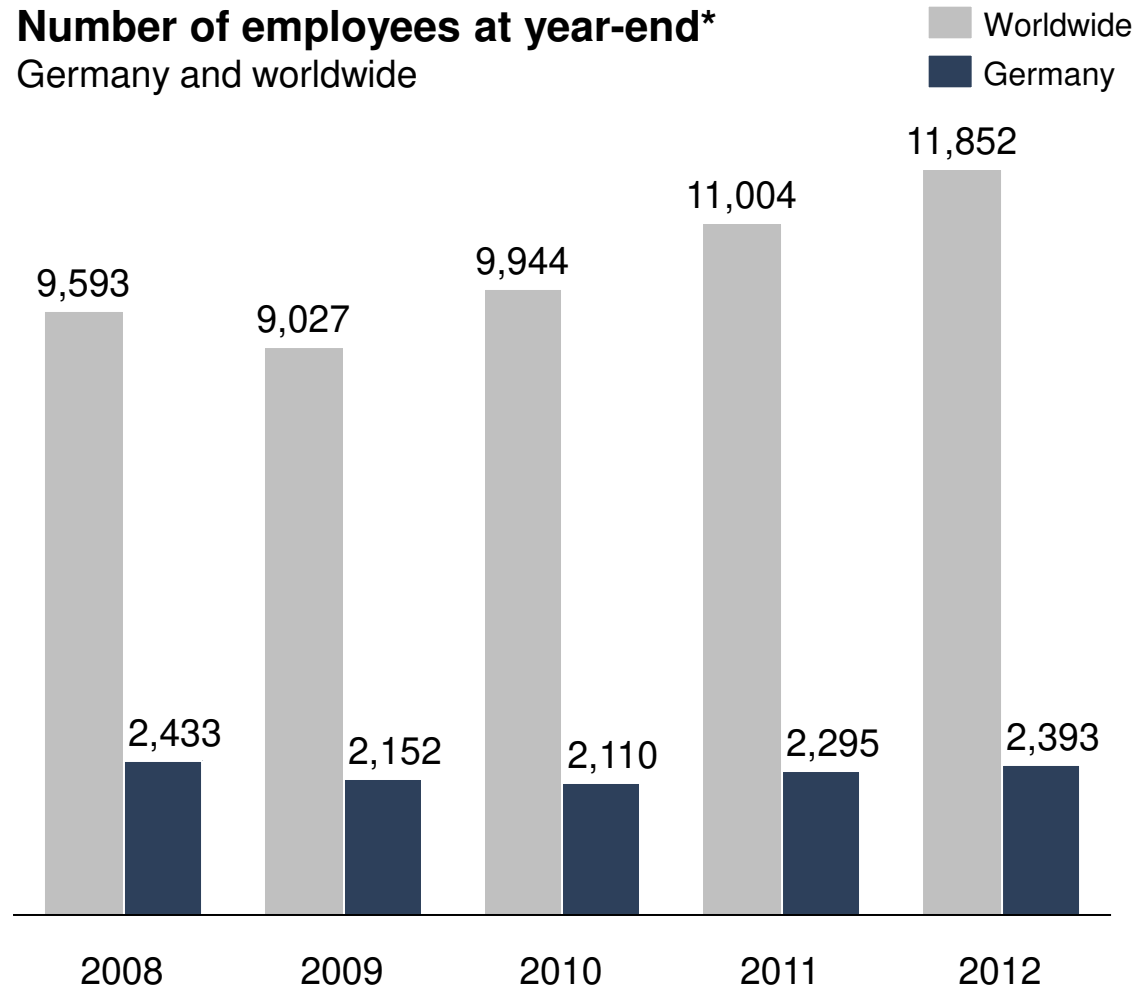
### Sales and EBITDA before special items (in EUR million)

Sales  
 EBITDA before special items



\* +10% fx-adjusted.

## HUGO BOSS creates new jobs in Germany and worldwide



\* according to IAS/IFRS

## Beijing show largest BOSS fashion event ever in Asia



BOSS fashion show, Beijing  
Fall/Winter 2012 collection



**BOSS brand grows at double-digit rates across clothing and sportswear**

**BOSS**  
HUGO BOSS





## HUGO show highlight of Berlin Fashion Week



HUGO fashion show, Berlin  
Fall 2013 collection

Womenswear business set for sustainable long-term growth

**BOSS**  
HUGO BOSS



HUGO BOSS Annual Shareholders' Meeting 2013

**BOSS**  
HUGO BOSS



HUGO BOSS ©

**HUGO**  
HUGO BOSS



May 16, 2013

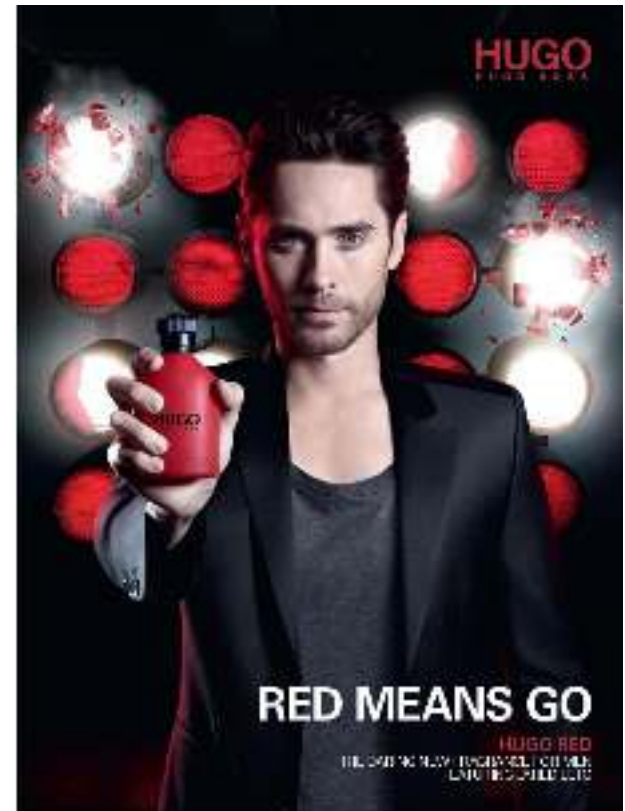
## Successful product launches drive fragrance business



**BOSS**  
HUGO BOSS

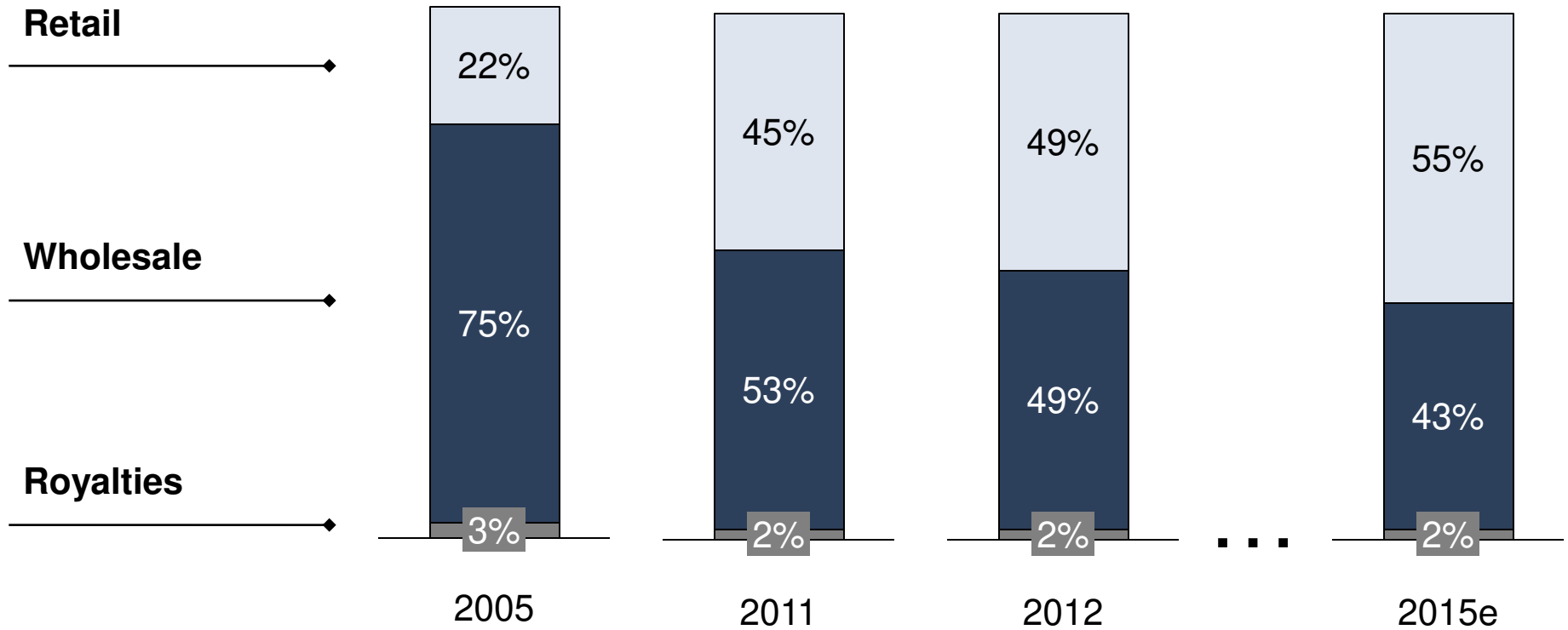


**BOSS**  
HUGO BOSS



Own retail has grown into the Group's biggest distribution channel

Sales by distribution channel



## Further expansion of the own retail network

### Number of own retail stores as of December 31, 2012

(December 31, 2011: 622)



\* incl. Middle East and Africa.

High profile store openings across all continents



BOSS Store, Brussels, Belgium  
 Boulevard de Waterloo  
 Opening: October 2012  
 Net size: 423 sqm



BOSS Store, Manhasset (NY), USA  
 Americana Manhasset  
 Opening: September 2012  
 Net size: 272 sqm



BOSS Store, Taipei, Taiwan  
 Taipei 101  
 Opening: May 2012  
 Net size: 233 sqm

## Renovations offer attractive potential for productivity uplifts



BOSS Store, Paris  
Avenue des Champs-Élysées



BOSS Store, Sydney  
King Street



BOSS Store, London  
Regent Street

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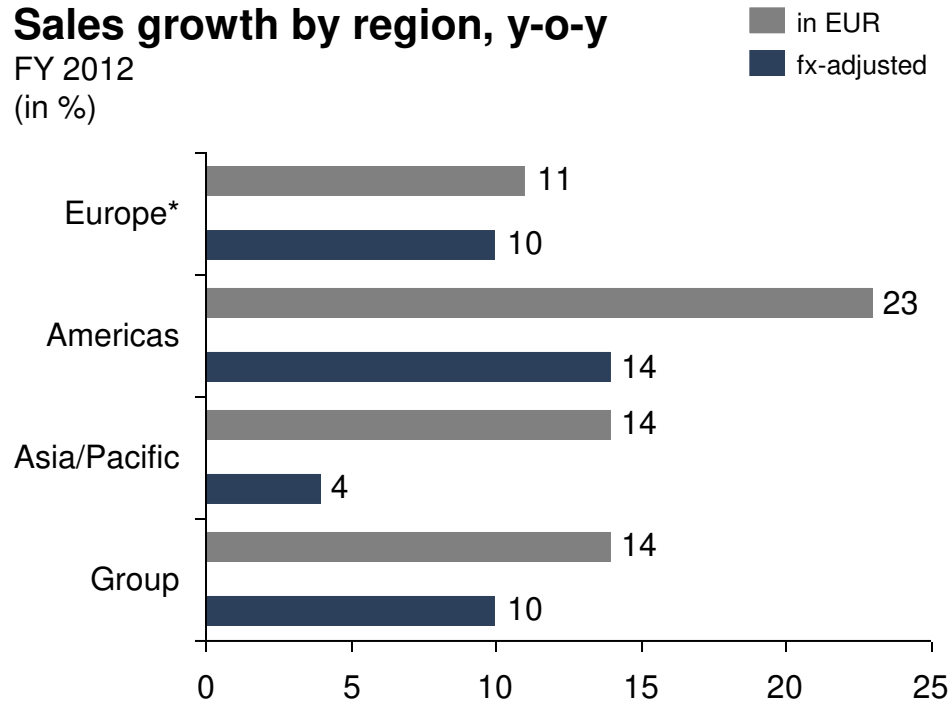
**Summary**



## All regions contribute to Group sales growth in 2012

### Sales growth by region, y-o-y

FY 2012  
(in %)



- Sales increase in all European markets
- Broad-based growth in the U.S. drives performance in the Americas
- More moderate revenue increases in China slow growth in Asia/Pacific

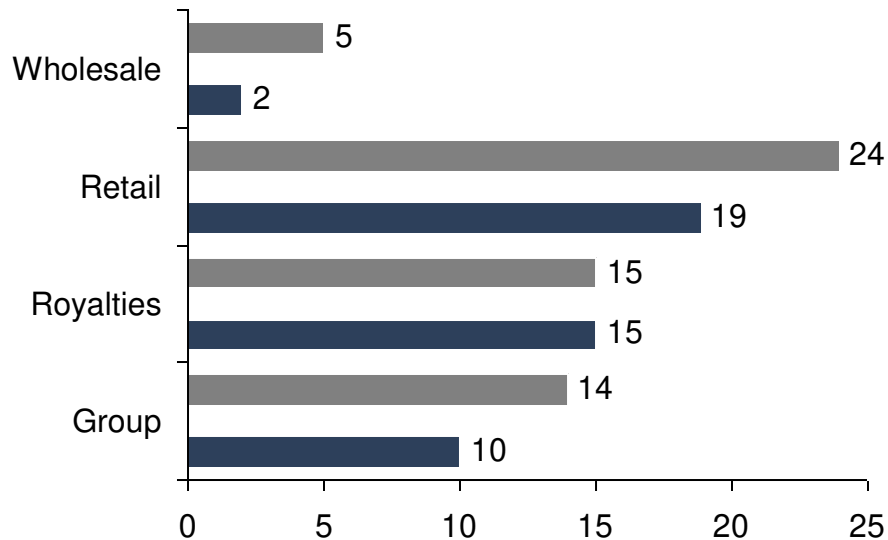
\*incl. Middle East and Africa.

## Robust growth in retail primary driver of Group sales increases

### Sales growth by channel, y-o-y

FY 2012  
(in %)

■ in EUR  
■ fx-adjusted



- Growth in wholesale despite difficult market environment
- Store expansion and comp store sales growth support double-digit increases in retail
- Strong fragrance business key to robust increases in royalties segment

## Sales and gross margin improvements support net income growth

in EUR million	2012	2011*	Change in %
<b>Net sales</b>	<b>2,345.9</b>	<b>2,058.8</b>	<b>14</b>
<b>Gross profit</b>	<b>1,453.2</b>	<b>1,264.8</b>	<b>15</b>
in % of sales	61.9	61.4	0.5 pp
Selling and distribution expenses	(808.8)	(682.1)	(19)
Administration costs and other operating income and expenses	(211.2)	(188.1)	(12)
<b>Operating result (EBIT)</b>	<b>433.2</b>	<b>394.6</b>	<b>10</b>
in % of sales	18.5	19.2	(0.7) pp
Financial result	(23.6)	(11.7)	<(100)
<b>Earnings before taxes</b>	<b>409.6</b>	<b>382.9</b>	<b>7</b>
Income taxes	(98.1)	(91.5)	(7)
<b>Net income</b>	<b>311.5</b>	<b>291.4</b>	<b>7</b>
Attributable to:			
Equity holders of the parent company	307.4	284.9	8
<b>Earnings per share (EUR)**</b>			
Ordinary share	4.45	4.12	8
<b>EBITDA before special items</b>	<b>529.3</b>	<b>469.5</b>	<b>13</b>
in % of sales	22.6	22.8	(0.2) pp

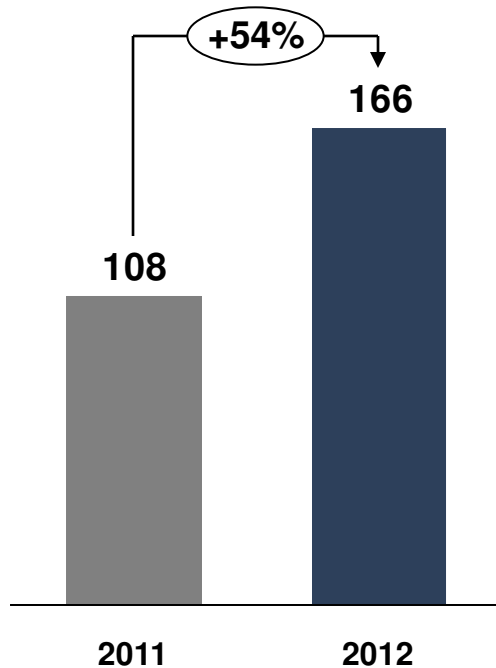
- Positive channel mix effects and efficiency improvements in sourcing and production support **gross margin** increase
- Own retail expansion main driver of higher **selling and distribution expenses**
- **EBITDA before special items** grows by 13%

\* Certain amounts shown here do not correspond to the 2011 consolidated financial statements and reflect adjustments made.

\*\* Basic and diluted earnings per share

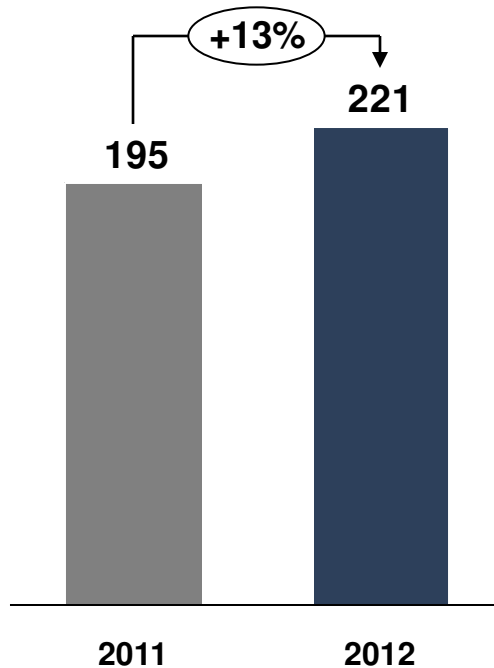
Operating profit increase and working capital discipline support free cash flow generation

**Investments**  
(in EUR million)



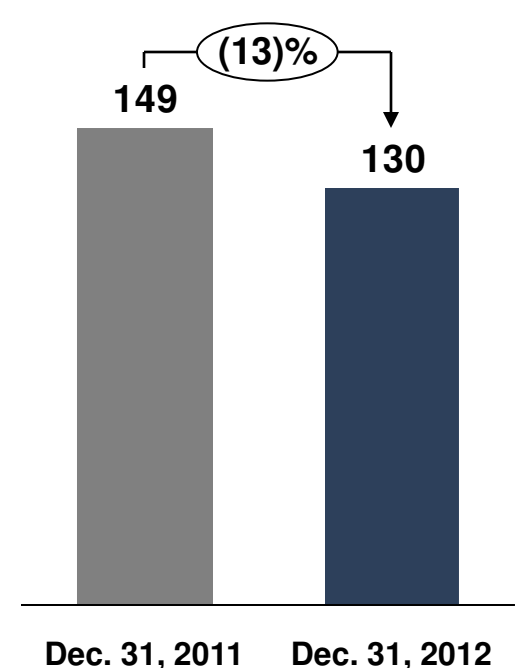
■ Own retail expansion and infrastructure projects drive increase

**Free cash flow**  
(in EUR million)



■ Increase due to profit growth and working capital discipline

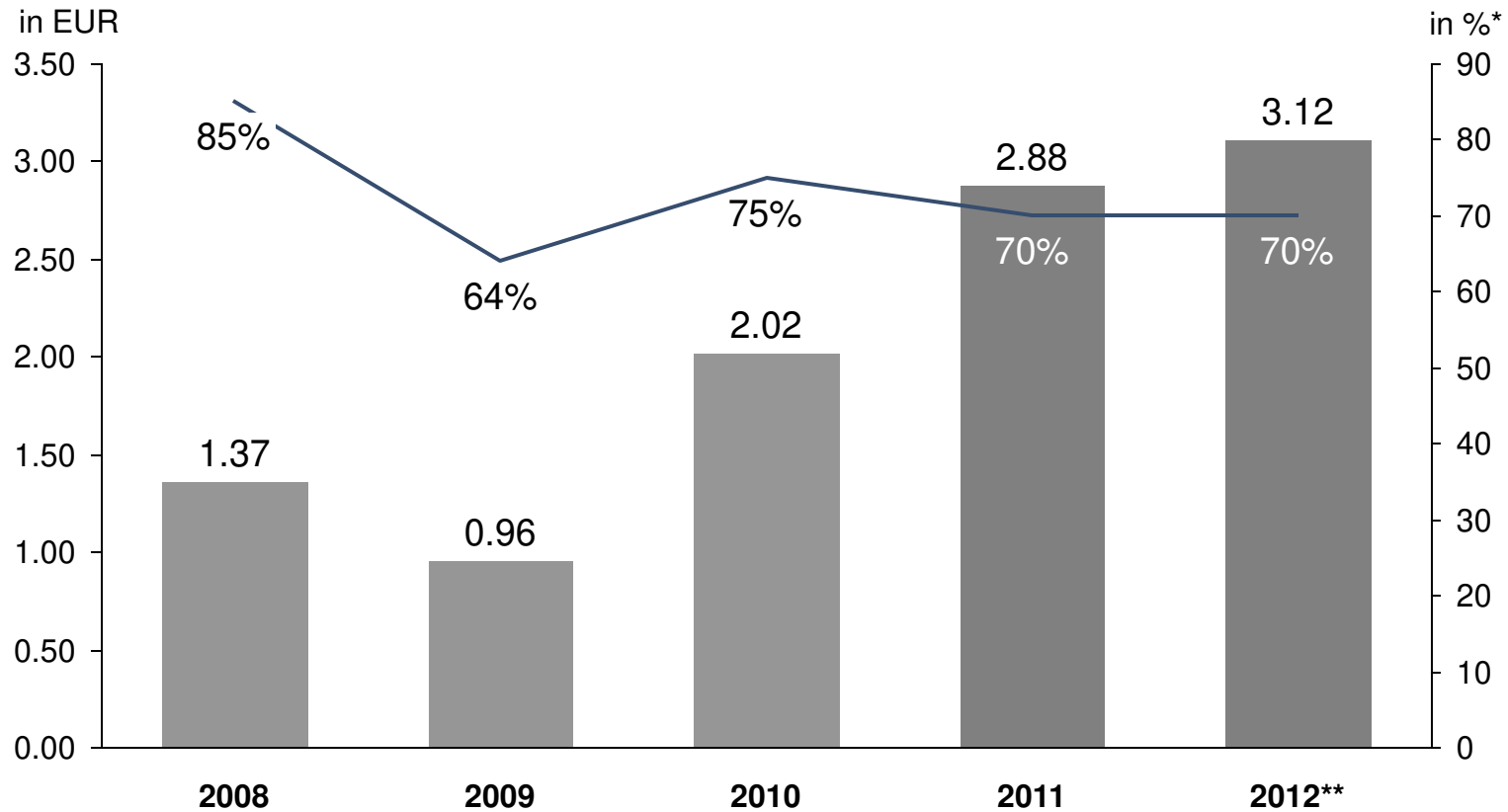
**Net debt**  
(in EUR million)



■ Robust free cash flow generation leads to further reduction

## Dividend proposal of EUR 3.12 per share reflects 70% payout ratio

### Dividend and payout ratio



Proposal in line with dividend policy of 60% to 80% payout of consolidated net profit

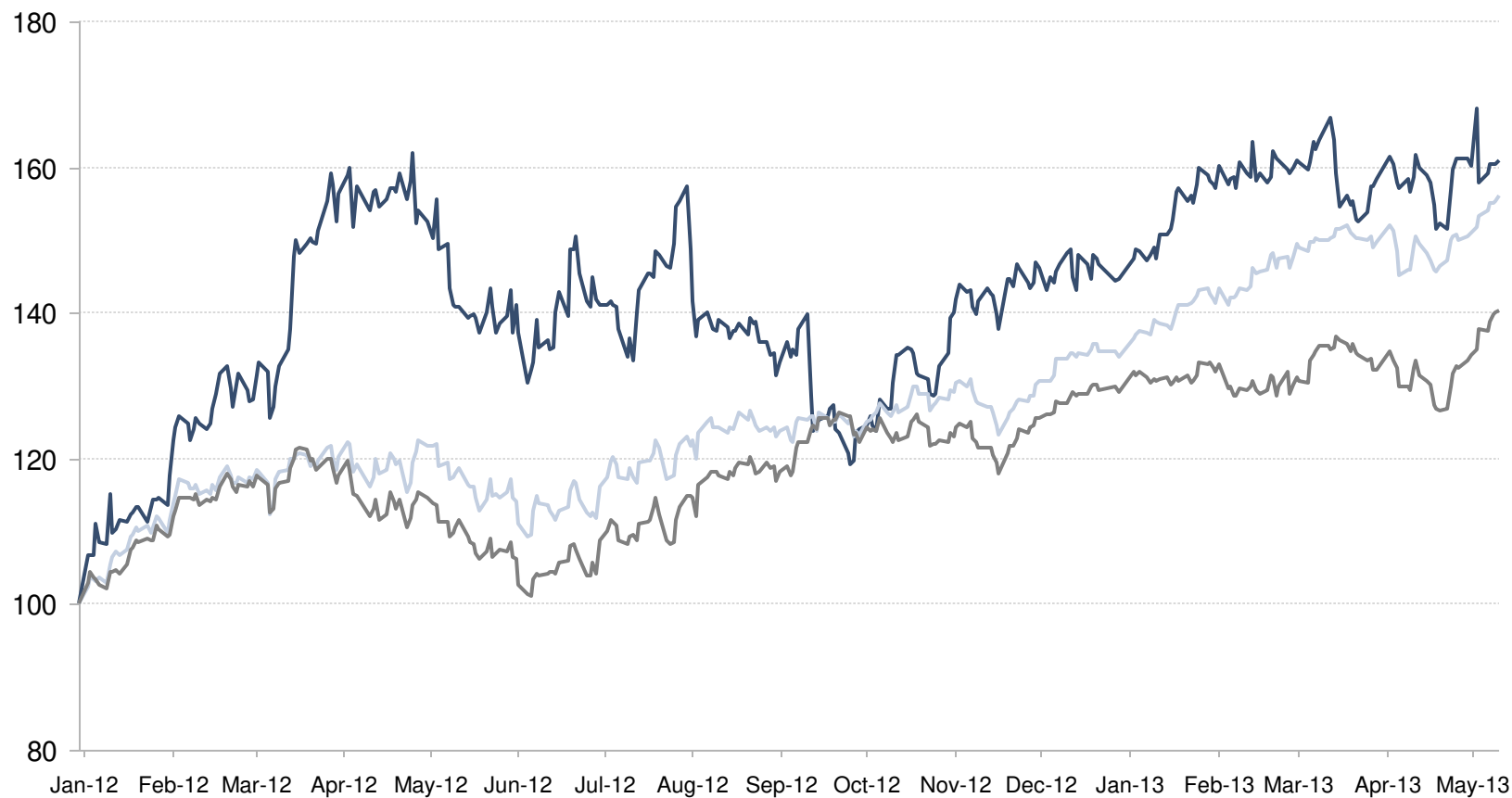
\* As a percentage of net profit attributable to the shareholders of the parent company. // \*\*2012: Dividend proposal.

## HUGO BOSS share price development outperforms the market as a whole

### Share price development: December 31, 2011 - May 10, 2013

(Index: December 31, 2011 = 100)

— HUGO BOSS  
— DAX  
— MDAX



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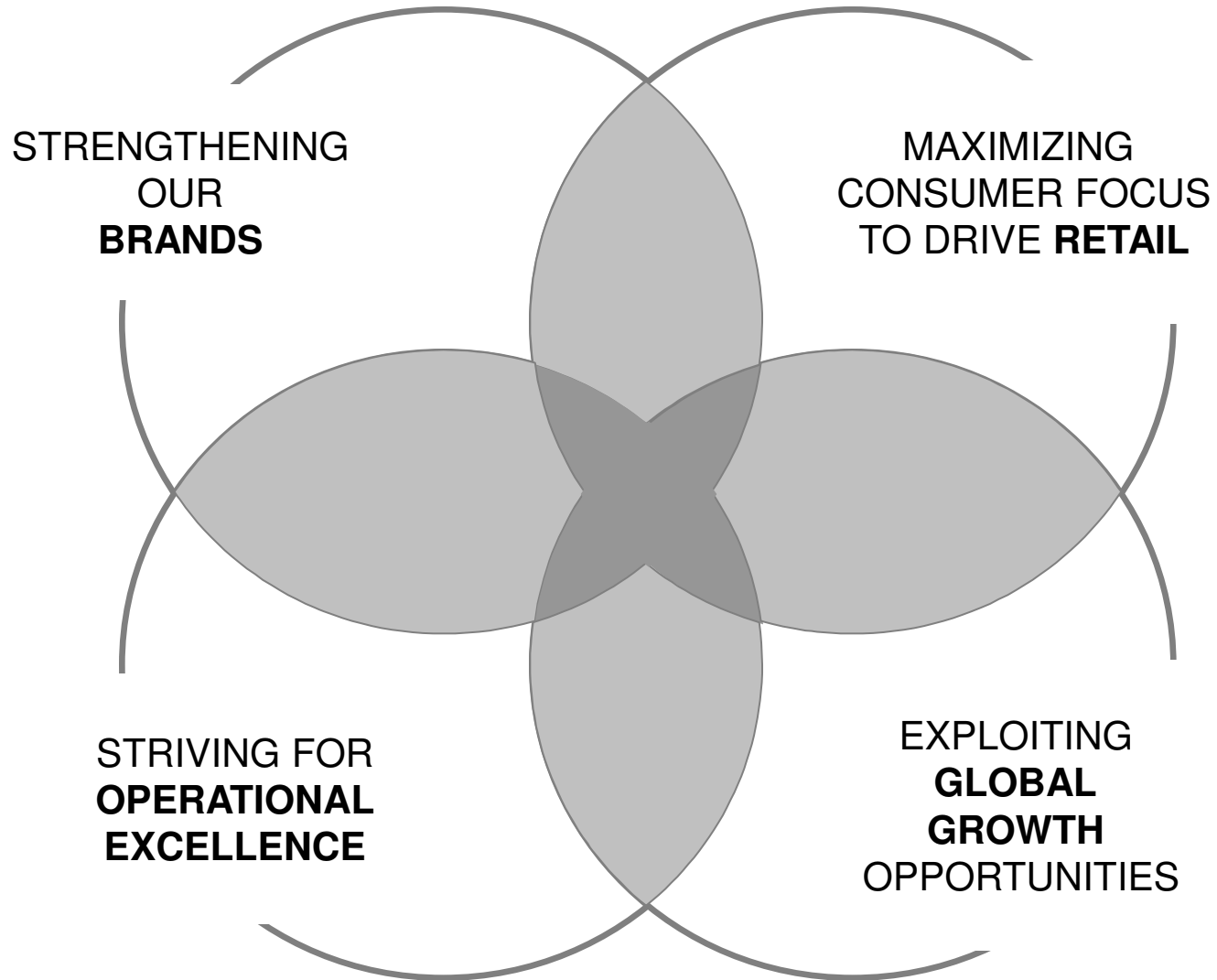
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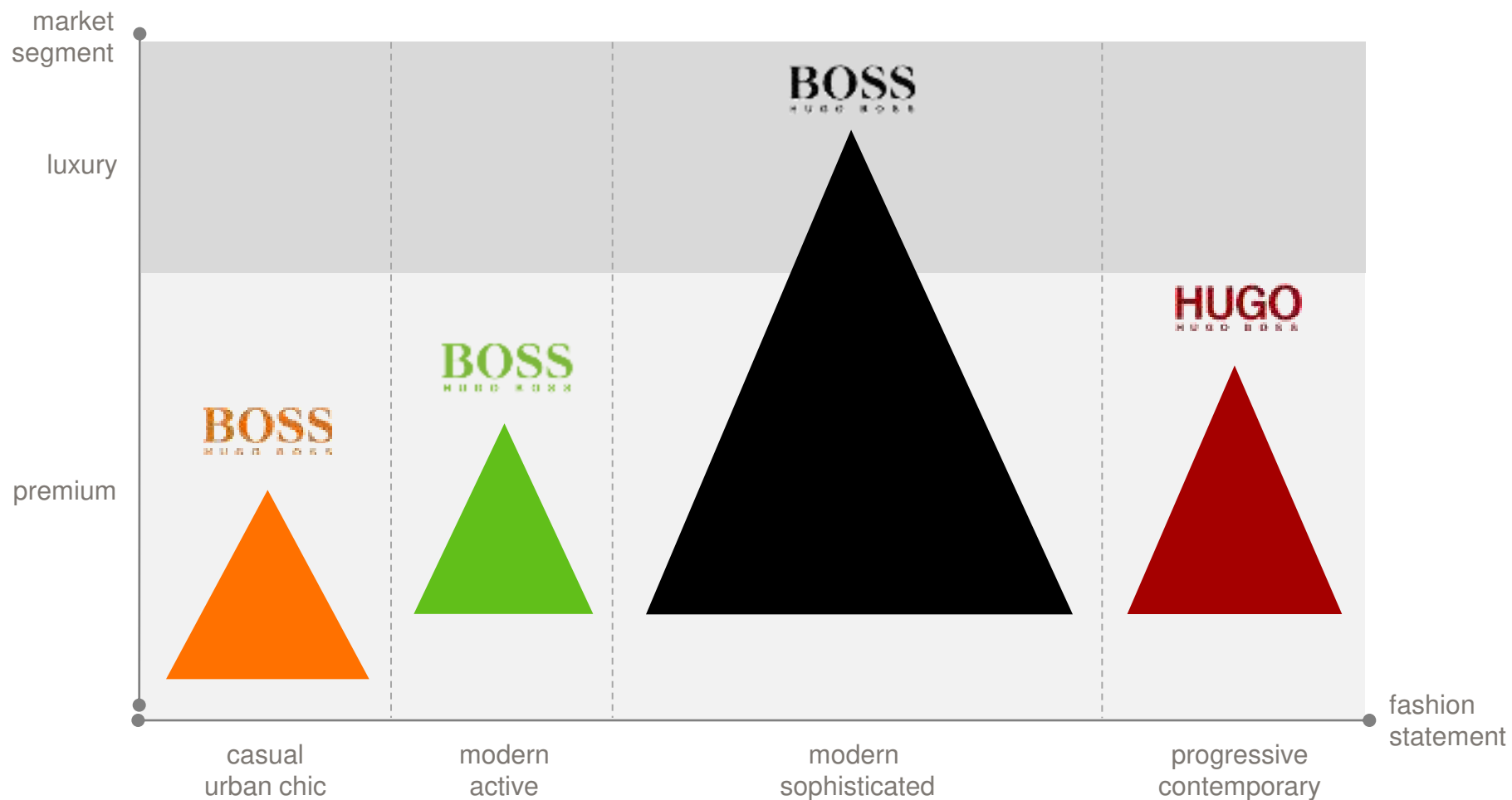
**Summary**

**Continued focus on execution of medium-term strategy**





## Strong portfolio of attractive brands



## Integration of BOSS Black and BOSS Selection elevates the core brand



SHOP ONLINE HUGOBOSS.COM

**BOSS**  
HUGO BOSS

Womenswear an important growth area

**BOSS**  
HUGO BOSS

**BOSS**  
HUGO BOSS

**HUGO**  
HUGO BOSS



## Dedicated advertising campaign puts womenswear in the spotlight



SHOP ONLINE [HUGOBOS.COM](http://HUGOBOS.COM)

**BOSS**  
HUGO BOSS

## HUGO celebrates 20<sup>th</sup> anniversary



HUGO 20<sup>th</sup> anniversary  
20 iconic products

New BOSS Orange campaign takes consumers on a roadtrip



**BOSS**  
HUGO BOSS

World class golfer Martin Kaymer the face of the BOSS Green campaign



## Retail to remain the Group's growth engine

Flagships in  
mega-cities

Directly operated  
stores

Controlled space

E-Commerce  
M-Commerce



50 new stores and shop-in-shops to be opened in 2013



New flagship stores define highest level of customer experience



BOSS Store Shanghai,  
Kerry Center



BOSS Store Shanghai,  
APM International



BOSS Store Hong Kong,  
Central Building



BOSS Store Hong Kong,  
Canton Road



BOSS Store Tokyo,  
Omotesando



BOSS Store Amsterdam,  
Leidsestraat



BOSS Store Berlin,  
Kurfuerstendamm



BOSS Store Stuttgart,  
Koenigstrasse

## Expansion of concession business model

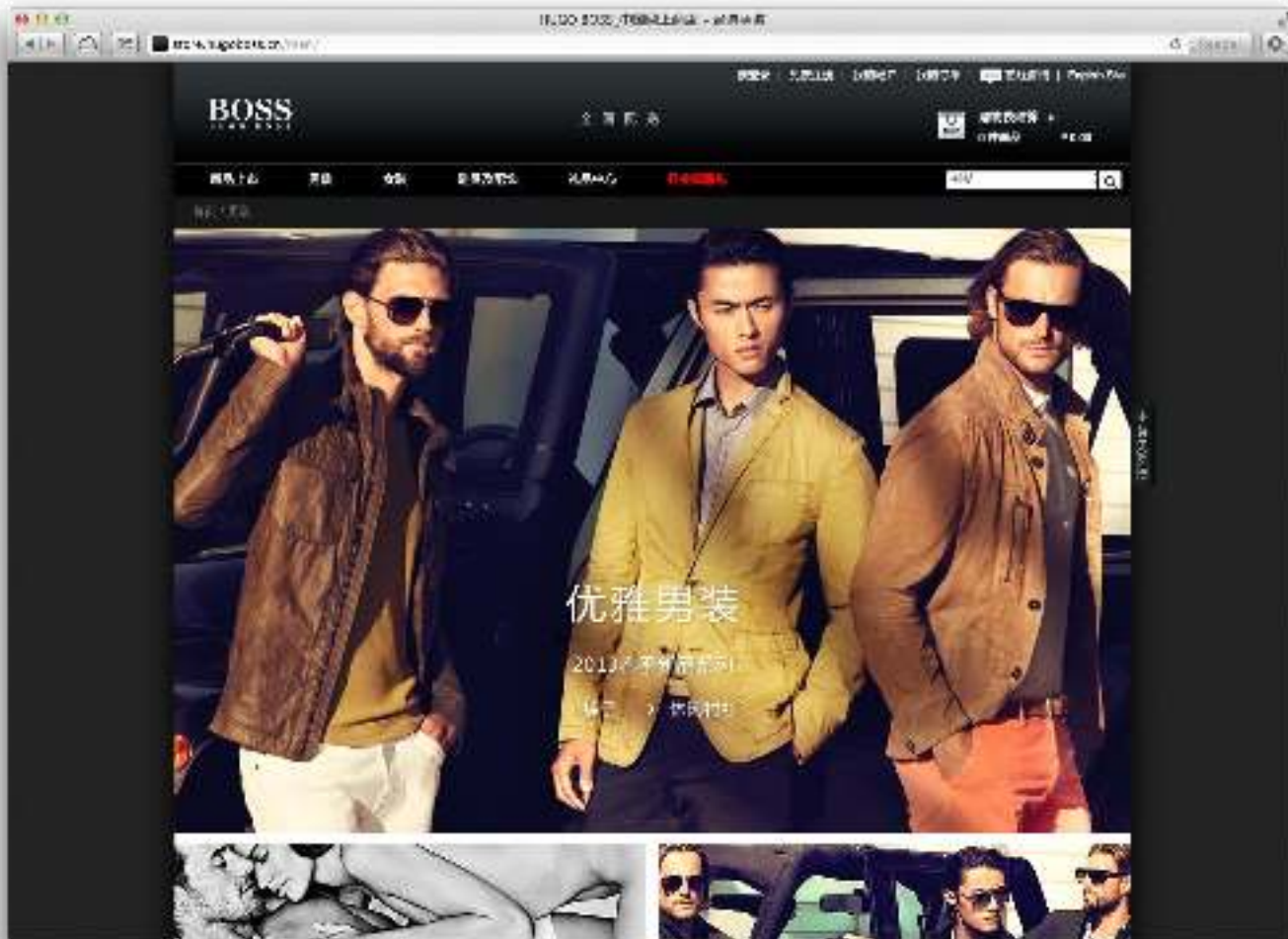
- Successful set-up of concession business model in the last year...



... to be further expanded in 2013.



## Growing significance of online retail



## Continuous striving for operational excellence

- Continued SAP rollout
- Implementation of global retail merchandise planning solution
- Construction of flat-packed goods distribution center on track for 2014 opening



## Attractive growth potential in all regions

- Expansion of own retail and controlled space in multi-brand environments offer growth potential in Europe
- European lifestyle brand value a solid foundation for further growth in the Americas
- Focus in Asia on strengthening brand perception and awareness as well as the Group's own retail network



**HUGO BOSS expects continued top and bottom line increases in 2013**

**2013 Outlook**

**Sales growth (currency-adjusted)**

**High single-digit**

**Growth of EBITDA before special items**

**High single-digit**

**Capex**

**Increase on a comparable basis**

**Own retail network**

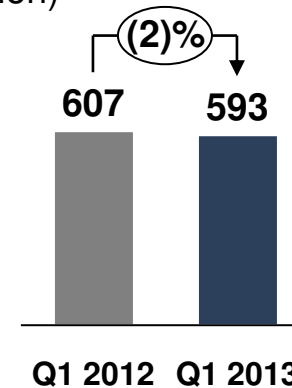
**Around 50 net organic openings**

## Different phasing in wholesale impacts sales and profit development in first quarter

- Group sales decline by 2% as a result of a different phasing of wholesale deliveries
- Continued double-digit sales growth in own retail
- Operating profit (EBITDA before special items) decreases 11% despite increase in gross margin
- Further improvement of key balance sheet metrics

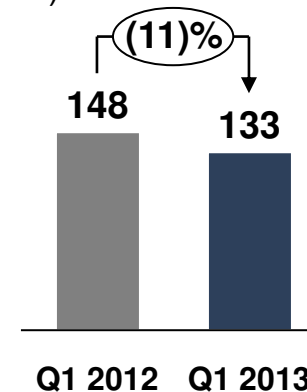
### Sales

(in EUR million)



### EBITDA before special items

(in EUR million)



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## 2013 to be another important step towards medium-term goals

- Group prepared to outperform difficult retail environments
- Proven strategy solid foundation for growth
- Important progress towards 2015 goals expected



**THANK YOU FOR YOUR ATTENTION!**

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