HUGO BOSS

German Corporate Conference // Kepler Cheuvreux

HUGO BOSS Company Presentation
January 22, 2014

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Strategy Update

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Nine Months Results

Outlook

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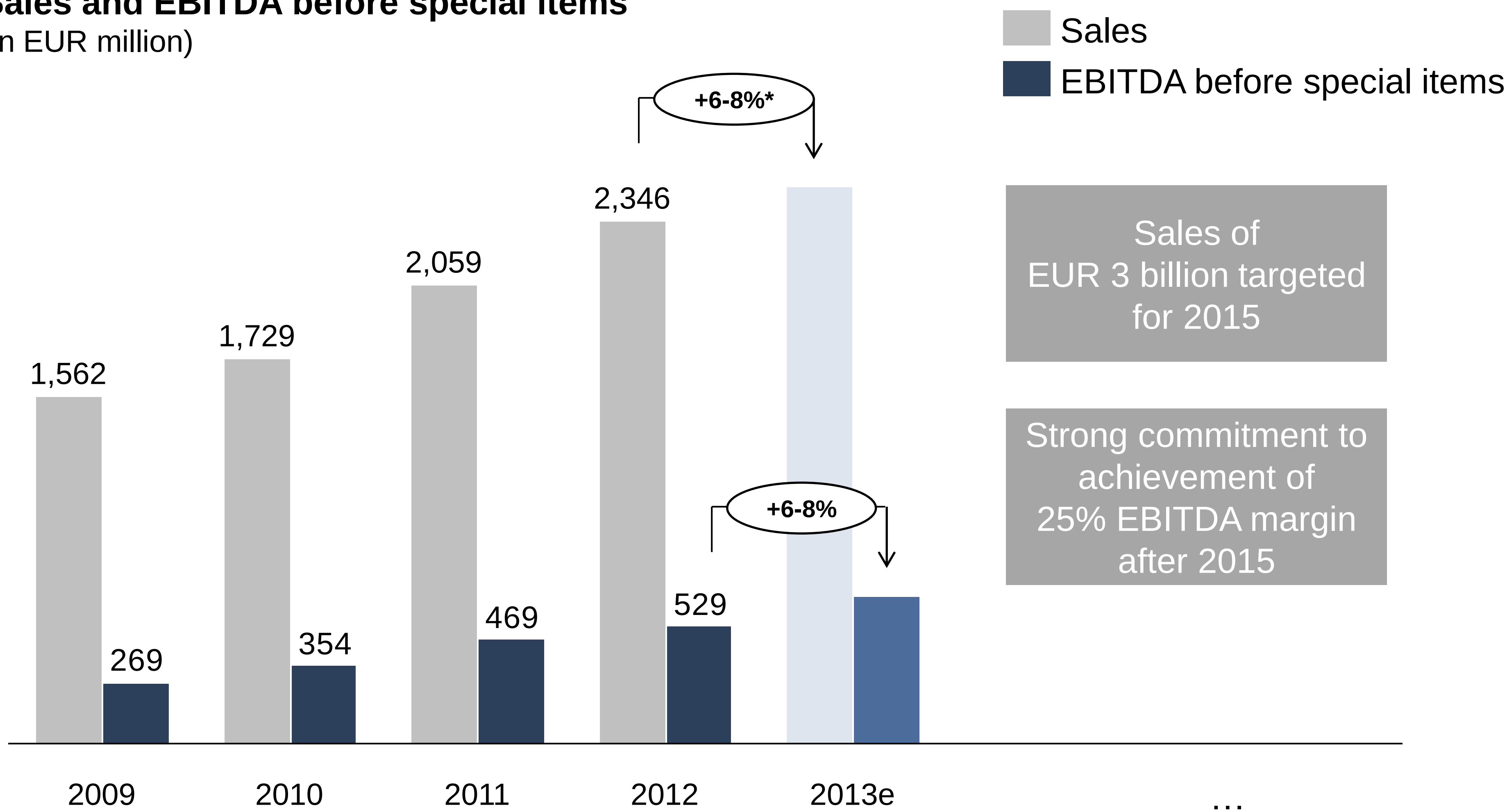
Outlook

Strong track record of significant sales and operating profit growth

Sales and EBITDA before special items
(in EUR million)



Sales of EUR 3 billion targeted for 2015

Strong commitment to achievement of 25% EBITDA margin after 2015

* fx-adjusted

HUGO BOSS remains absolutely focused on further improvement of structural profitability

Achievements

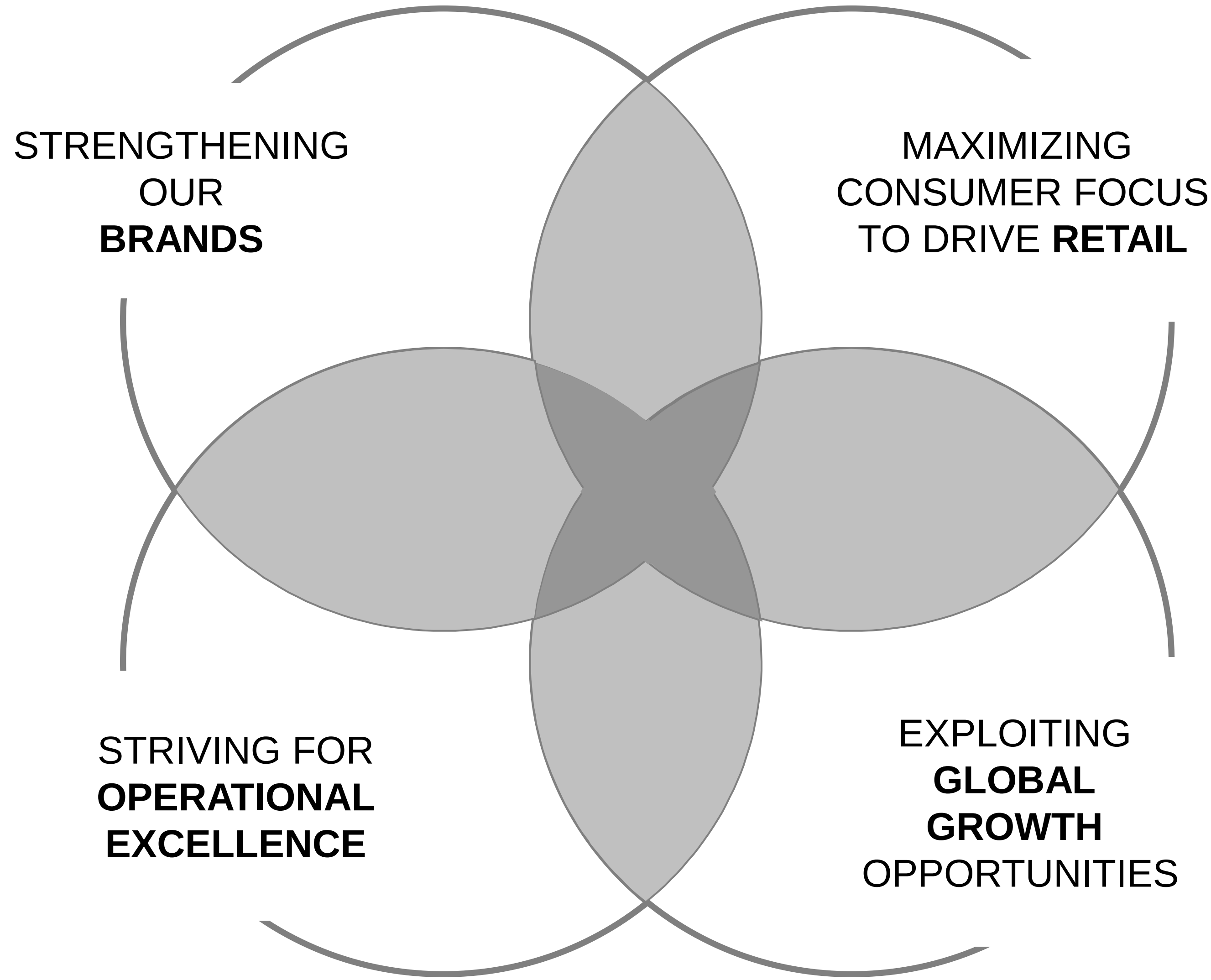
- Brand portfolio sharpened and streamlined
- Retail transformation faster and more comprehensive than expected
- Growth in established markets exceeds initial expectations
- Operational setup strengthened and globalized

Challenges

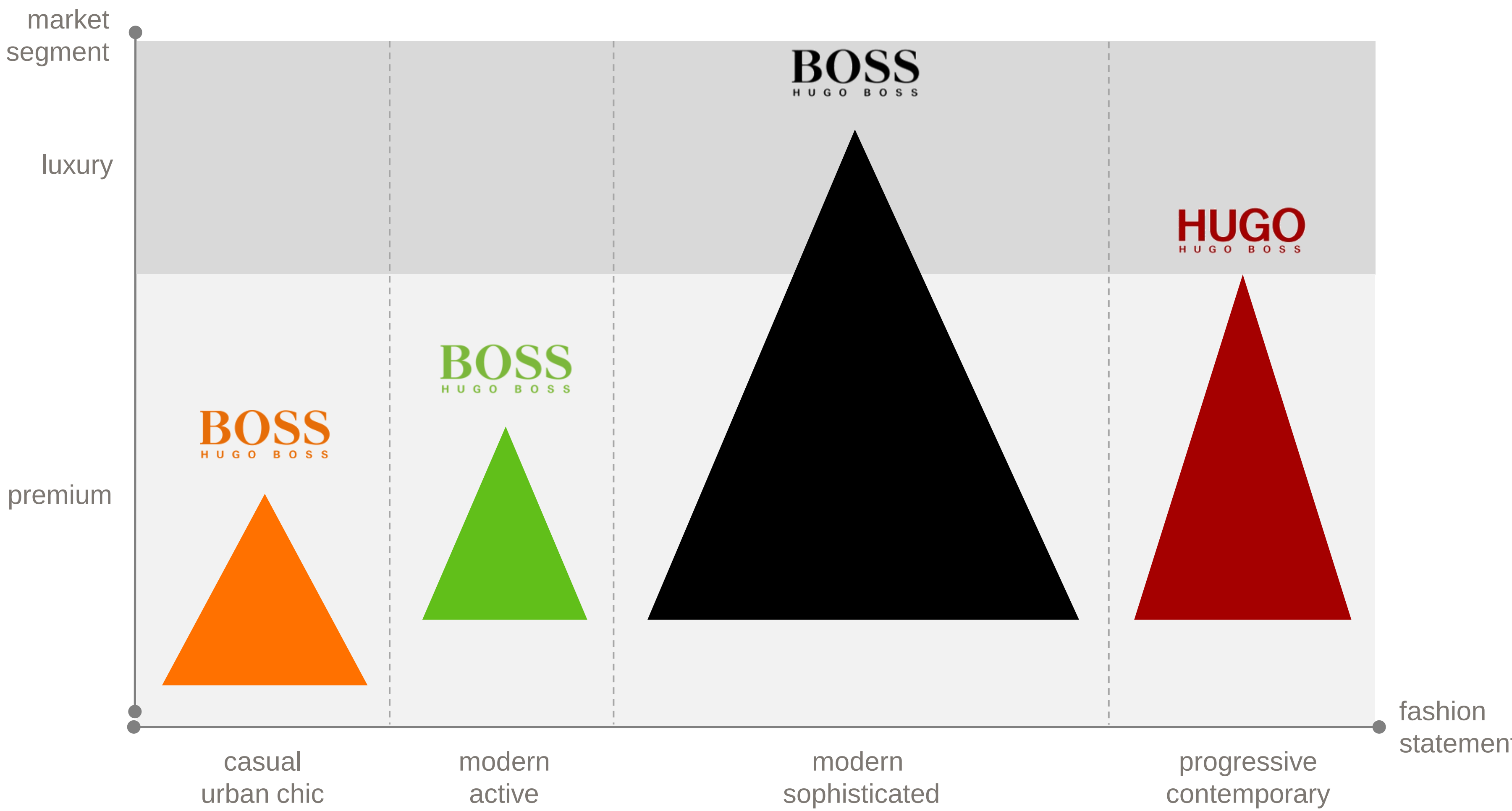
- Macroeconomic development worse than initially expected
- Wholesale market deterioration enforcing faster and earlier move to active space management
- Difficult industry situation slows down catch-up in Asia

- Target of EUR 3 billion in sales by 2015 confirmed
- Margin improvement progress delayed by current challenges
- Clear commitment to 25% EBITDA margin achievement after 2015

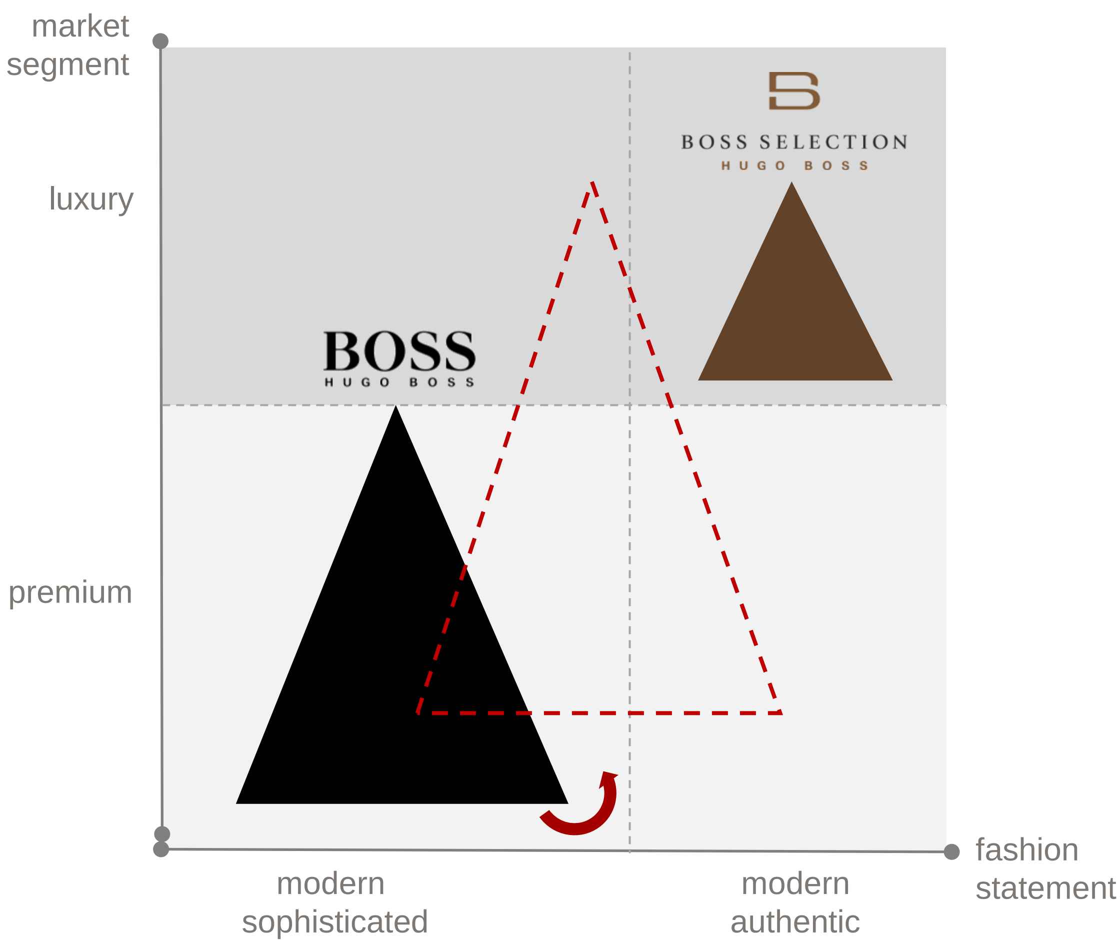
Growth strategy intact



Brand portfolio sharpened and streamlined



Integrated BOSS offering underlines premium and luxury brand appeal

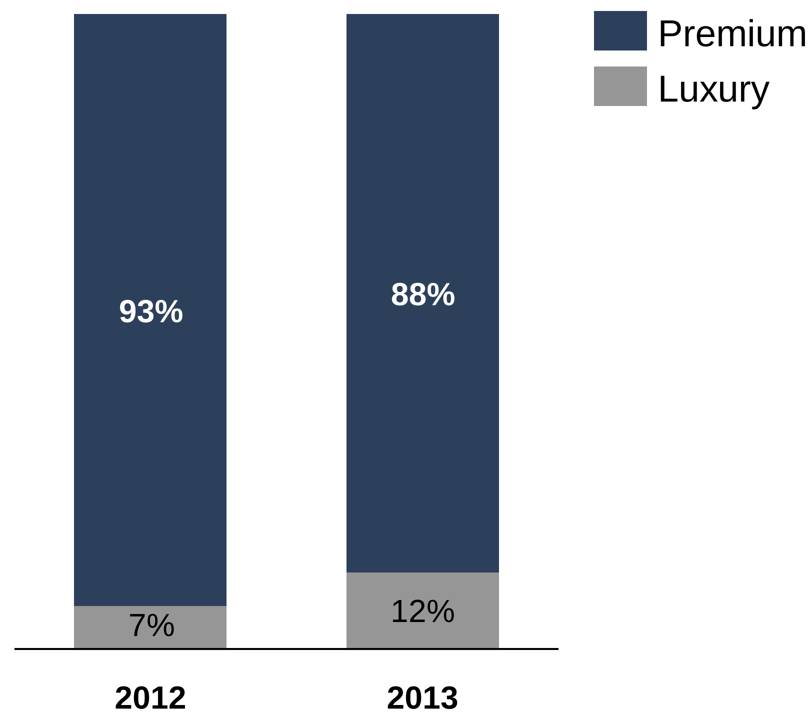


- Integrated offering from premium to luxury
- Simplified brand messaging from end consumer perspective
- Gradual exit of entry price points supports trade-up of core brand BOSS

Luxury share has started growing visibly in Fall 2013 collection already

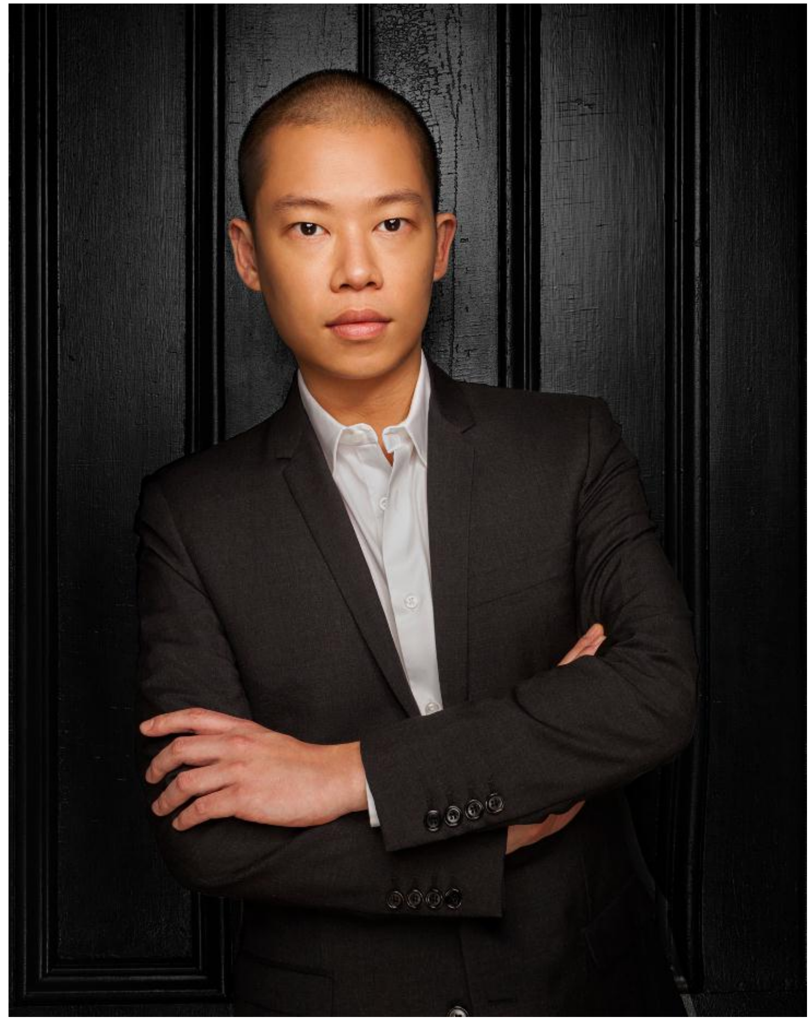
- Integrated luxury offering received positively by wholesale partners and end consumers
- Growing weight across all categories
- Product innovations to drive further luxury share increases in both clothing and sportswear

BOSS Menswear Fall 2013 collection sell-in, premium vs. luxury



Womenswear to become an important growth driver going forward

Jason Wu named Artistic Director of BOSS Womenswear



Refined strategic brand communication approach to support momentum

- **Focusing on a new target audience**
  From a wholesale to a consumer focused approach. From talking to thousands to talking to hundred millions of people. The consumer is BOSS.

- **Making the Brand Purpose consumer relevant and tangible**
  HUGO BOSS inspires people towards success

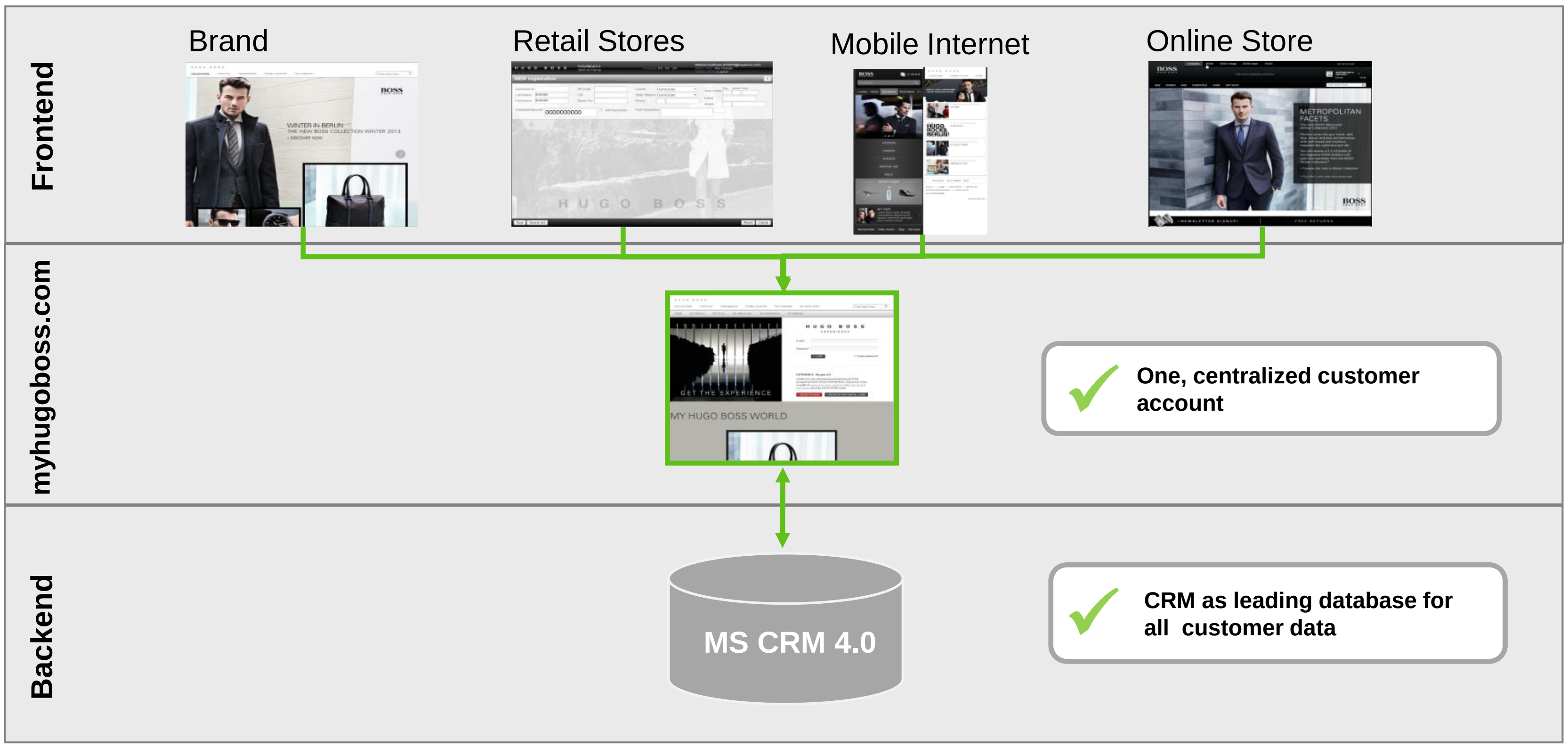
- **Focusing on a consistent global message**
  Integration of communication activities across all consumer touch points with a strong central lead.

- **Sharpening ROI mentality**
  Fewer – Bigger – Better activities that build image and reach more consumers resulting in higher traffic, better conversion and bigger baskets.

- **Integrating all digital activities on one platform**
  Roll out of myhugoboss.com to link offline, online and mobile driving consumer lifetime value.

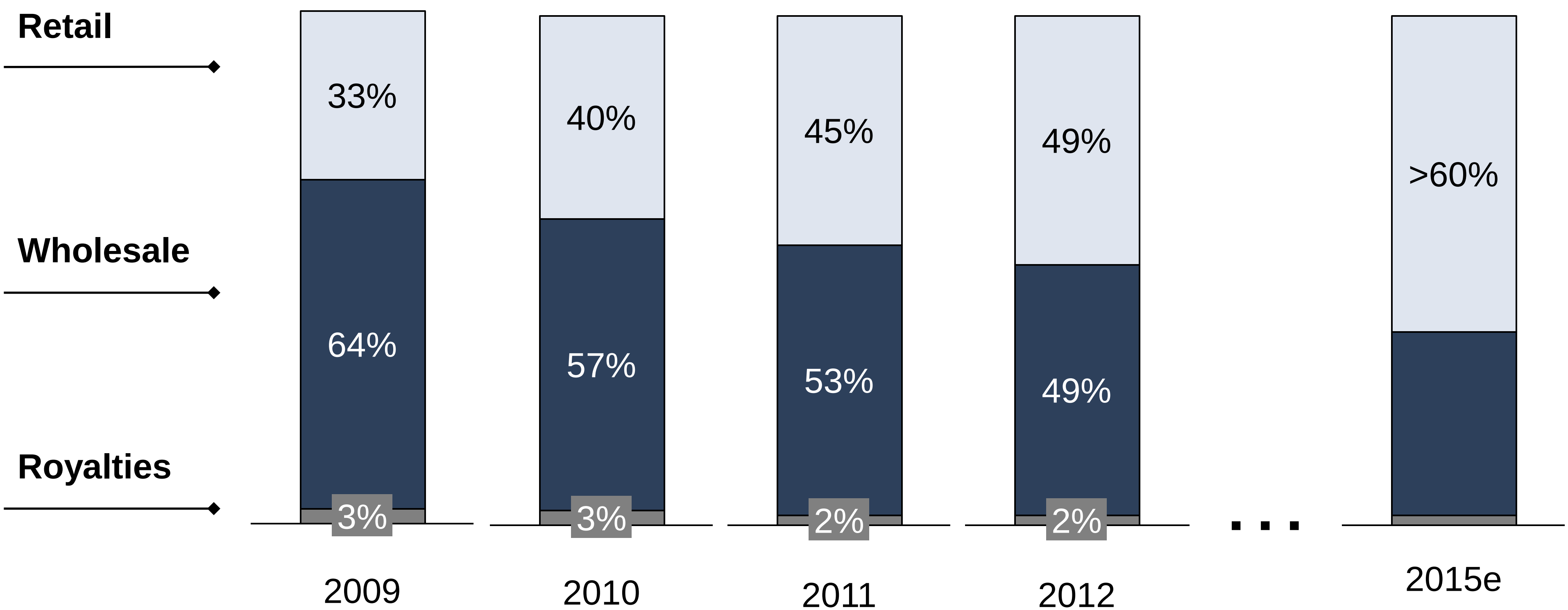
Customer relationship management efforts yield first positive results

- Multi-channel consumers purchase twice as much compared to offline/online only consumers
- With myhugoboss.com every consumer gets a personalized service across all channels



Own retail share set to continue growing until 2015 and beyond

Sales by distribution channel



Several key measures have made retail the core of the HUGO BOSS business model…

Lead-time reduction

- Time to market shortened by twelve weeks
- Feedback loop enables optimization of new collection development

Core range

- Definition of core offering supports consistency of brand presentation
- Superior sell-through performance and operational efficiency

4 season cycle

- Switch from two to four more equally weighted collections per year
- Continuous update of offering attracts more frequent store visits

Modular collection development + retail space management

- Entire development process driven by presentation at point-of-sale
- Definition of brand modules enables flexible in-store space allocation

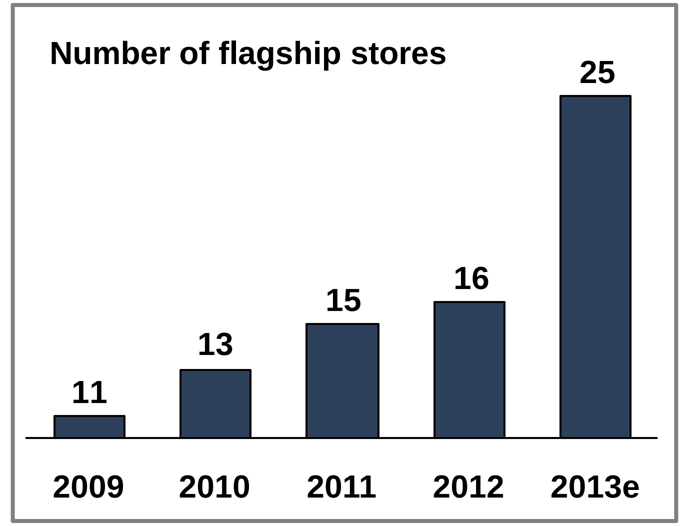
HUGO BOSS own retail expansion takes different forms

Format	Characteristics	Expansion
Flagship stores	Above 400sqm Key high street locations in global metropolises	Organic
Freestanding stores	250sqm to 350sqm on average Located in A-class high street locations in large cities	Mostly organic
Shop-in-shops	80sqm to 120sqm on average Located in department stores	Organic and takeovers
Factory outlets	300sqm to 400sqm on average Located in high traffic areas off-center	Organic
E-commerce M-commerce	Adapted to individual markets	Organic

New openings drive retail space addition
Around 50 new stores and shop-in-shops to be opened every year

Upgrade and expansion of flagship store network in key locations globally

New York,
Columbus Circle

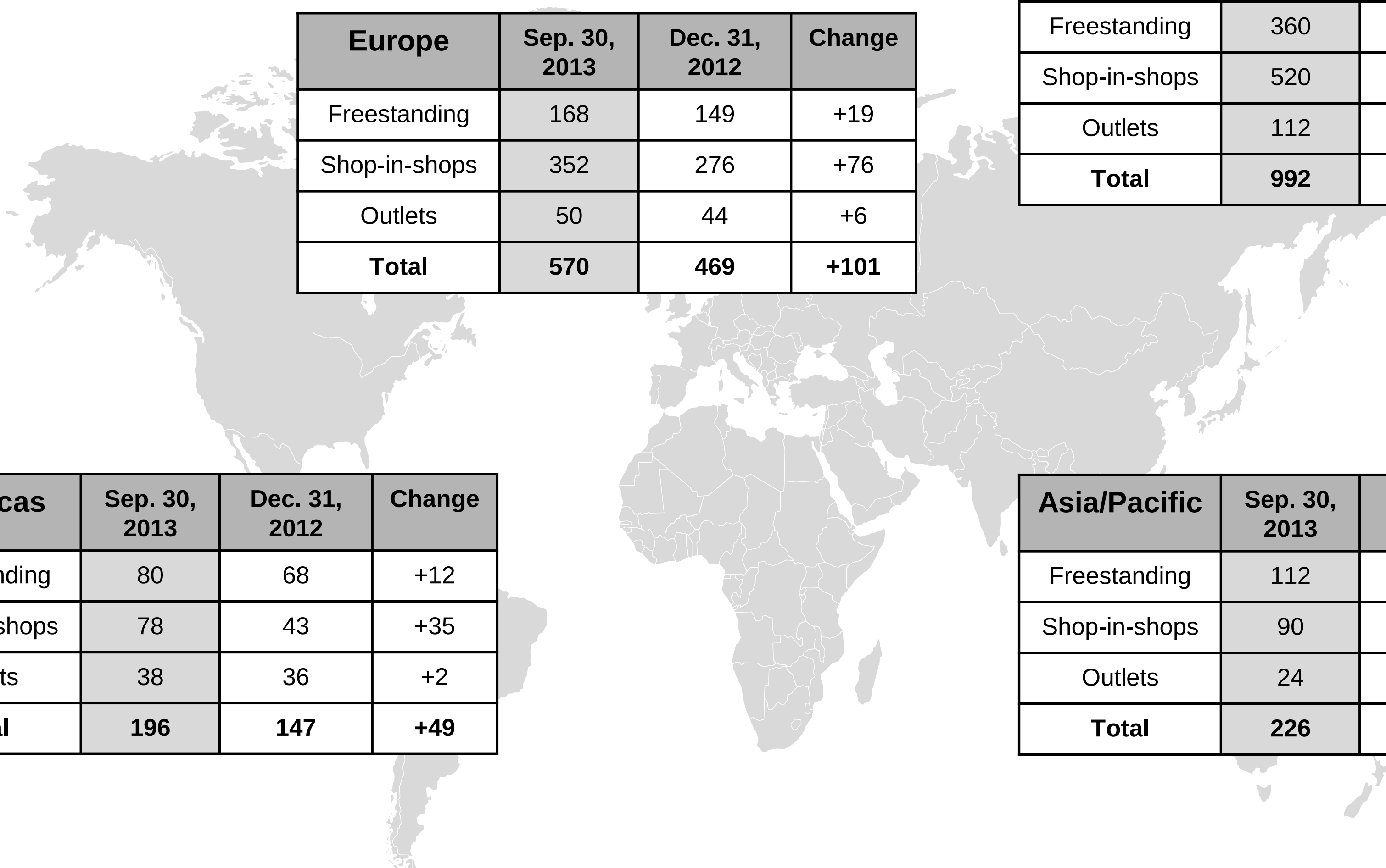


Moscow,
Kuznetsky Most

Shanghai,
APM Mall

Opening of freestanding stores and shop-in-shop takeovers have increased store count

Development of own retail network



Group	Sep. 30, 2013	Dec. 31, 2012	Change
Freestanding	360	323	+37
Shop-in-shops	520	413	+107
Outlets	112	104	+8
Total	**992**	**840**	**+152**

Europe	Sep. 30, 2013	Dec. 31, 2012	Change
Freestanding	168	149	+19
Shop-in-shops	352	276	+76
Outlets	50	44	+6
Total	**570**	**469**	**+101**

Americas	Sep. 30, 2013	Dec. 31, 2012	Change
Freestanding	80	68	+12
Shop-in-shops	78	43	+35
Outlets	38	36	+2
Total	**196**	**147**	**+49**

Asia/Pacific	Sep. 30, 2013	Dec. 31, 2012	Change
Freestanding	112	106	+6
Shop-in-shops	90	94	(4)
Outlets	24	24	-
Total	**226**	**224**	**+2**

Like-for-like growth prerequisite for sales and operating margin expansion

Comp store sales growth

=

Traffic	×	Conversion	×	Transaction value

Traffic
- Brand communication
- CRM
- Store location
- Visual merchandising
- …

Conversion
- Merchandise assortment and presentation
- Service quality
- Store layout
- Product availability
- …

Transaction value
- Product mix
- Pricing
- Service quality
- Product availability
- …

Comp store sales to grow at a mid-single-digit rate on average

Refined showroom timing and delivery cycle optimizes time to market

Further enhancement of central D.R.I.V.E. concepts expected to drive performance

4-season cycle	■ Analytical insight in collection performance deepened significantly ■ Renewed emphasis on Spring and Fall collections in response to American and Asian market needs
Showroom timing	■ Showroom times more closely aligned with global fashion calendar ■ Differentiated timing introduced for menswear and womenswear
Delivery timing	■ Earlier deliveries increase new collection availability at season start ■ Positive impact on full price sell-throughs expected
Operations + communication	■ Production and sourcing more closely synchronized with actual demand ■ Brand communication more strongly focused on key collection themes

Supply chain integration project adds to strong operational backbone

- Homogenous, Group-wide integrated supply chain based on SAP a strong platform for further growth
- Roll out completed in all production entities
- New flat-packed goods distribution center to be seamlessly integrated in production and transportation processes

Production

- Order allocation
- Order status tracking
- Global processing labeling
- Distribution-optimized packaging

EDI

Transportation

- Transportation planning and management
- Lead time management
- Shipment tracking

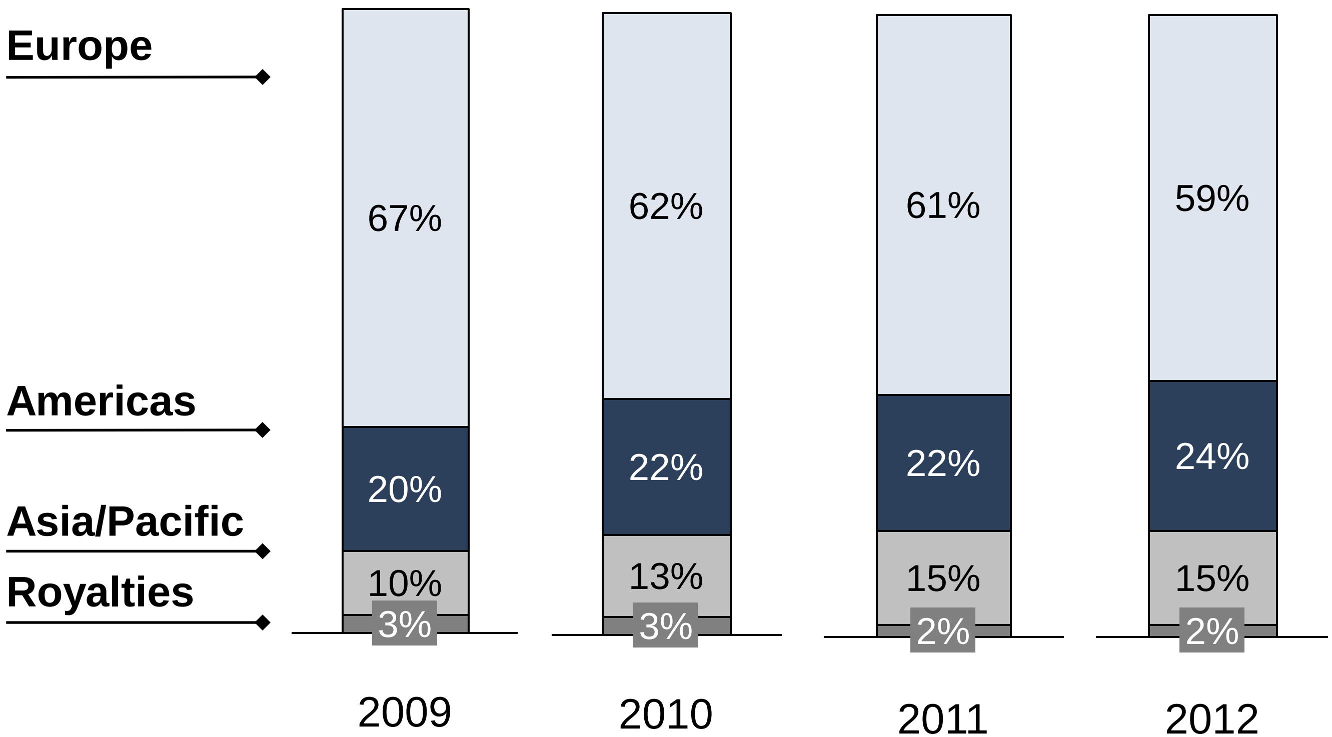
EDI

Distribution

- High speed processing performance

HUGO BOSS has made progress in balancing its global footprint

Sales by region



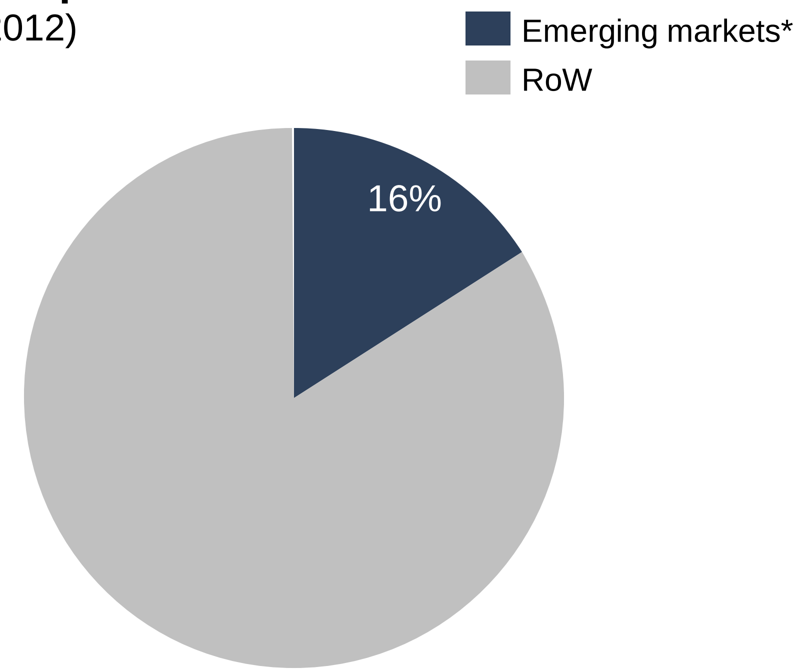
Europe withstands economic weakness

Americas grow stronger than expected

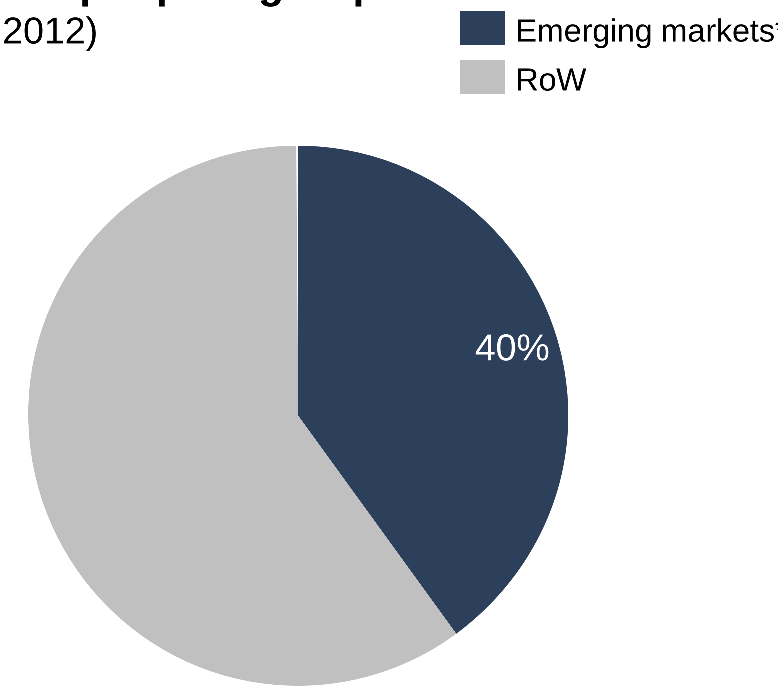
Asia/Pacific still biggest regional opportunity

Underpenetration of emerging markets points to significant growth potential

Sales split HUGO BOSS
(FY 2012)



Sales split peer group**
(FY 2012)



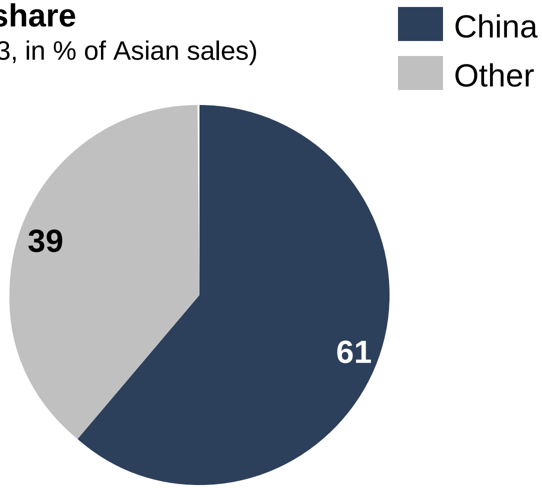
* incl. Greater China.

** Peer group: Swatch, Richemont, Burberry, Gucci, LV, Tod's, Salvatore Ferragamo, Adidas, Puma, Luxottica.

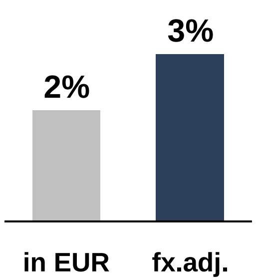
China continues to be the biggest regional opportunity for HUGO BOSS

China

Sales share
(9M 2013, in % of Asian sales)



Sales growth
(9M 2013)

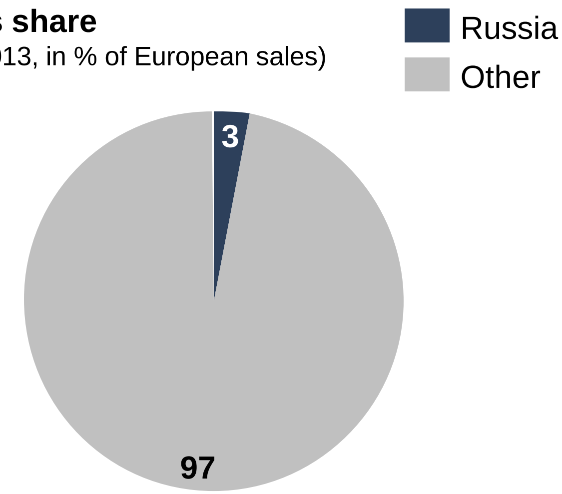


- Late direct market entry
- Successful build up of operational infrastructure has laid the foundation for expected future growth
- Focus on quality upgrade of retail network as well as strengthening of brand perception
- Catch-up to peers impacted by economic and industry headwinds

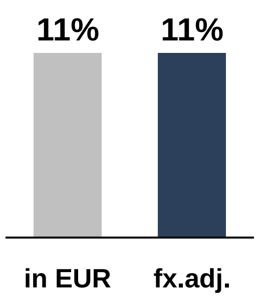
Russia has the potential to develop into one of the European core markets

Russia

Sales share
(9M 2013, in % of European sales)



Sales growth
(9M 2013)

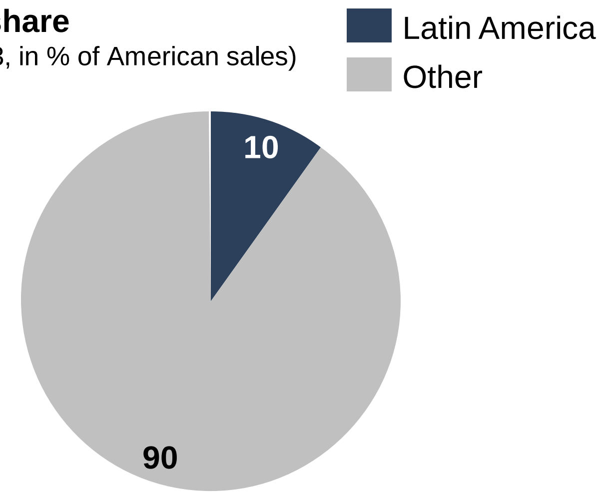


- HUGO BOSS enjoys high levels of brand awareness and favorable brand perception
- Comprehensive market presence driven by franchise and department store partners
- Around 30 freestanding franchise stores
- First own store opening in Moscow in August marks direct market entry

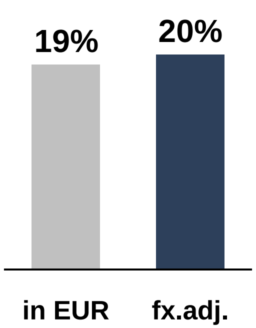
Latin America has become an increasingly important growth driver in the Americas

Latin America

Sales share
(9M 2013, in % of American sales)



Sales growth
(9M 2013)



- 25+ years market presence
- Strong brand recognition driven by menswear clothing
- Reputation for modern designs and perfect fit
- Freestanding store base in Brazil has doubled to 12 since the end of 2011

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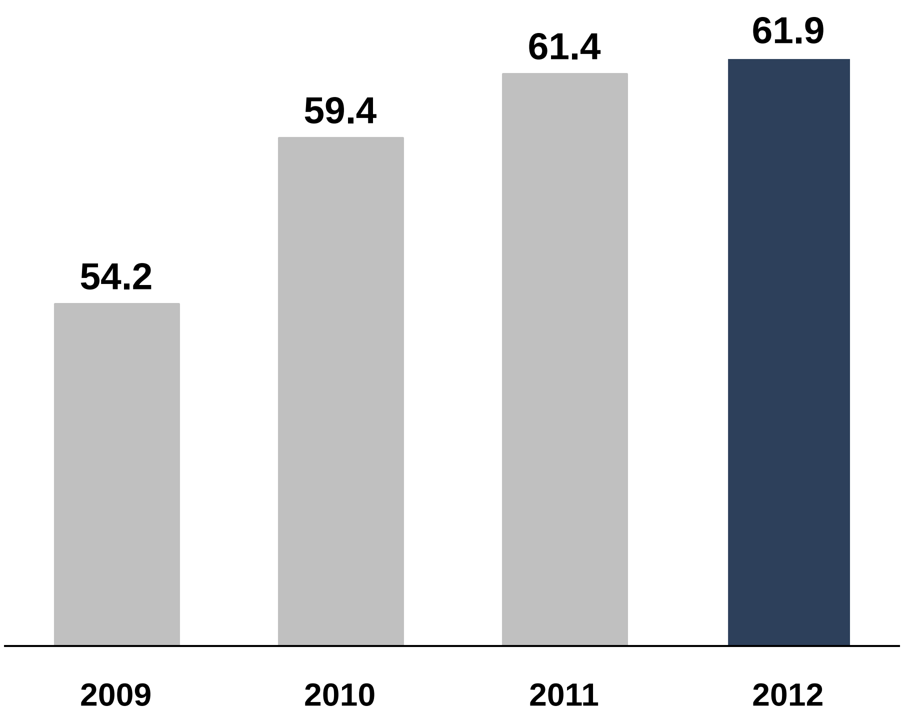
The six principles of Group financial management

- Gross margin improvements to at least equal channel mix effect
- Retail expenditure growth to be below retail sales growth
- G&A expenditures to grow slower than top line
- Operating profit to grow stronger than top line
- Investments to sustain future profitable growth
- Free cash flow generation to fund shareholder returns and further net debt reduction

Gross margin has progressed beyond pure channel mix effect

Gross margin development
(in %)



- Positive distribution channel mix effect
- Reduction of markdowns
- Production and sourcing efficiencies

Increase of more than 200bp expected in 2013

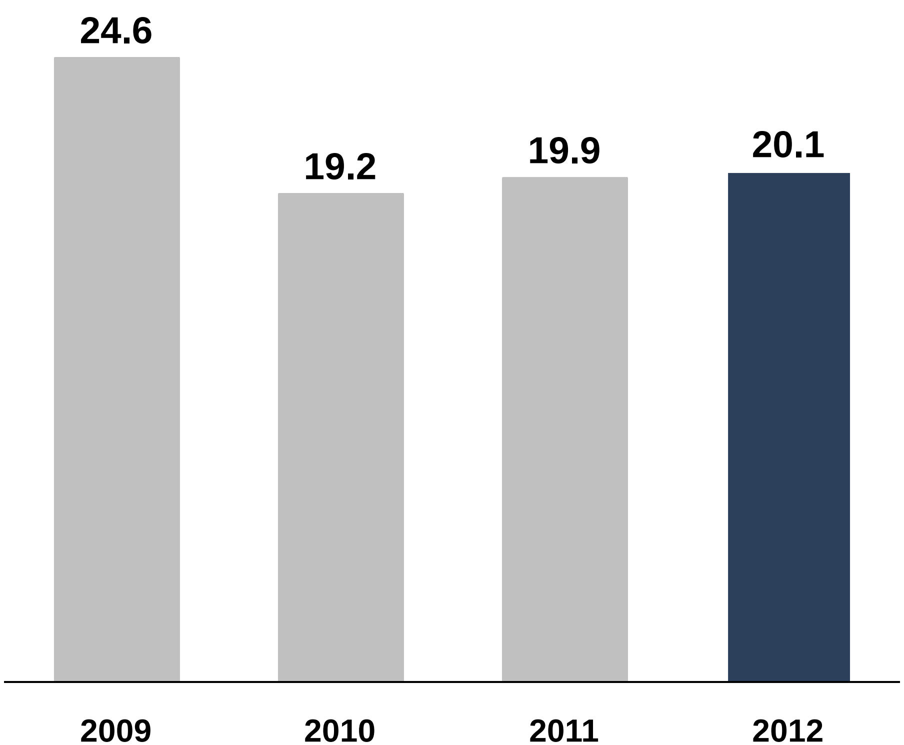
Continued focus on tight operating expense management

Retail	■ Productivity improvements key to offset rent increases ■ Further potential in streamlining personnel deployment and planning
Marketing	■ Increased impact through refined marketing strategy ■ Absolute and relative expenditure levels to increase
Logistics	■ Strong track record of efficiency gains ■ State-of-the-art setup through new distribution center in Europe
G&A	■ Lean organizational structure ■ Continued strict cost control

➔ Operating leverage a continued source of profit growth

Trade net working capital levels to achieve historic lows at year-end

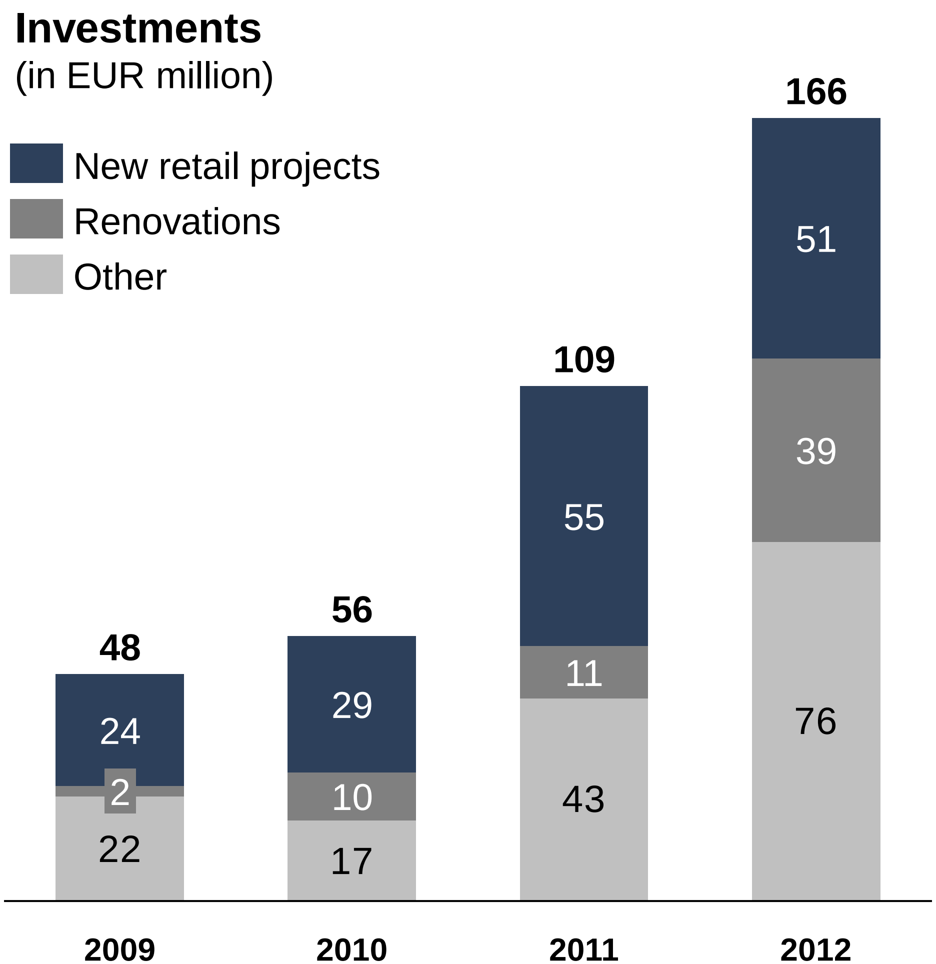
Average trade net working capital as a percentage of sales at year-end
(in %)



- Major progress compared to historical levels
- Strong IT setup and supply chain excellence drive better inventory management
- Maximization of own retail inventory turn key to further improvements

New record levels expected in 2013

HUGO BOSS invests in future growth

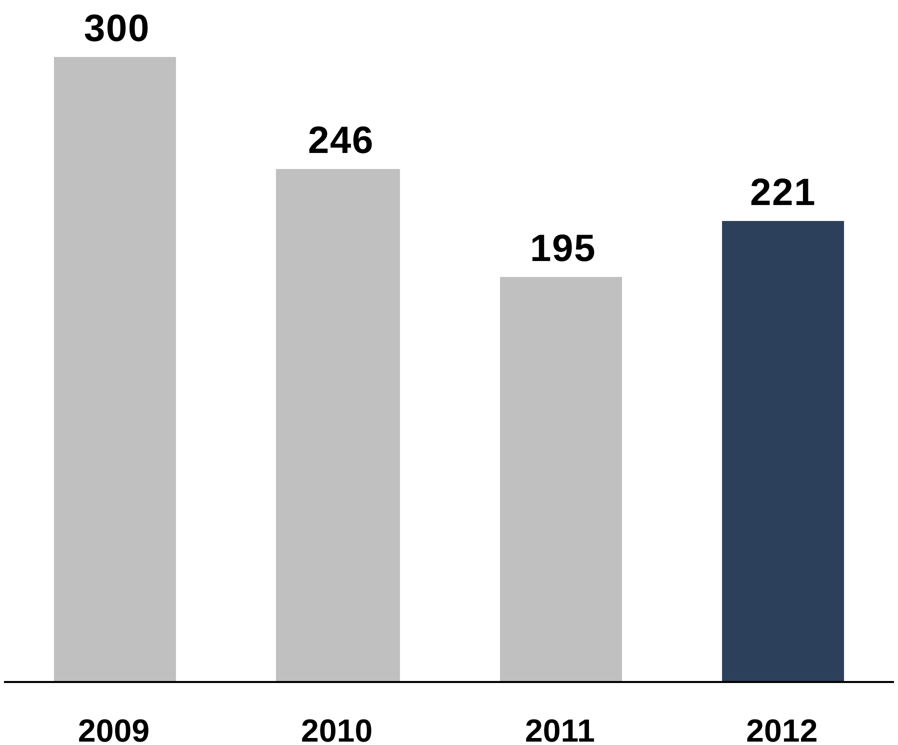


- Retail to remain most important investment area
- Significance of renovations to increase
- Stable outlook

Expected increase in 2013 reflects retail and infrastructure investments

Strong free cash flow generation inherent to the HUGO BOSS business model

Free cash flow
(in EUR million)

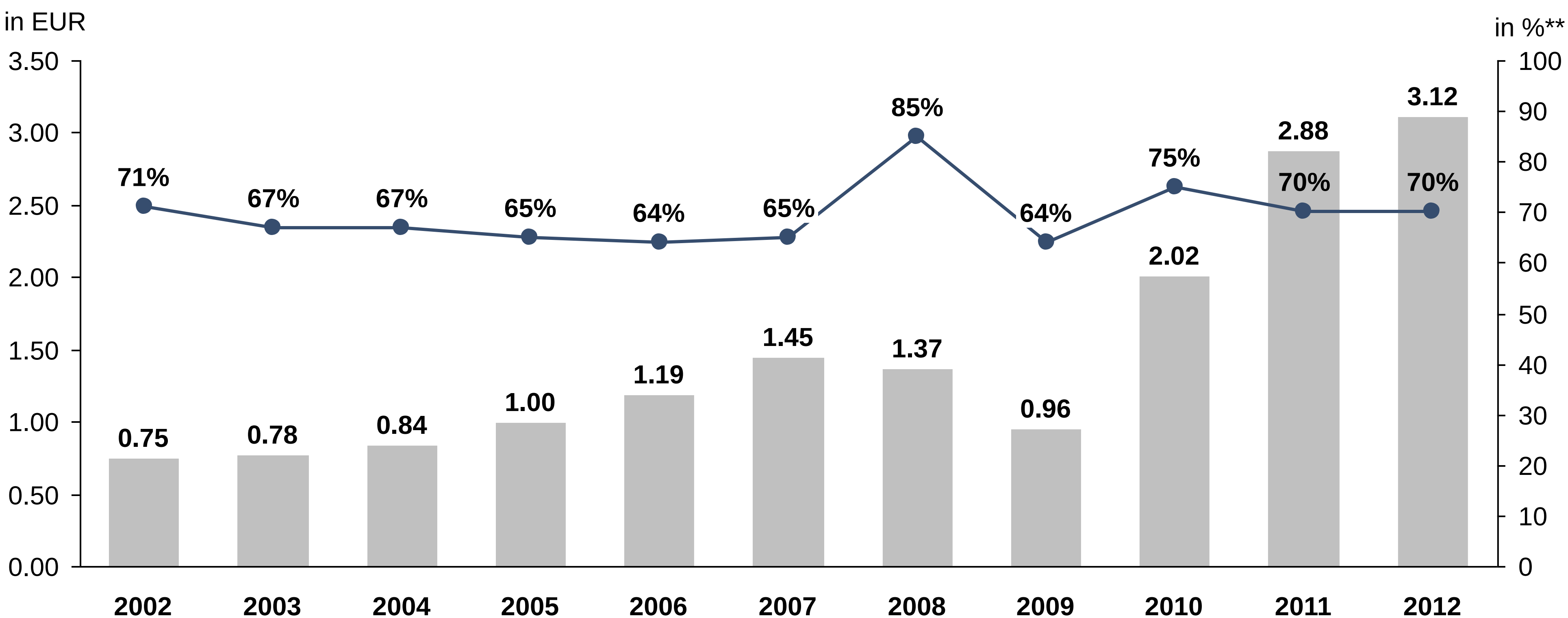


- Solid operating profit growth
- Tight net working capital management
- Disciplined investment activity

Further strong development in 2013

Free cash flow strength supports industry-leading dividend payout

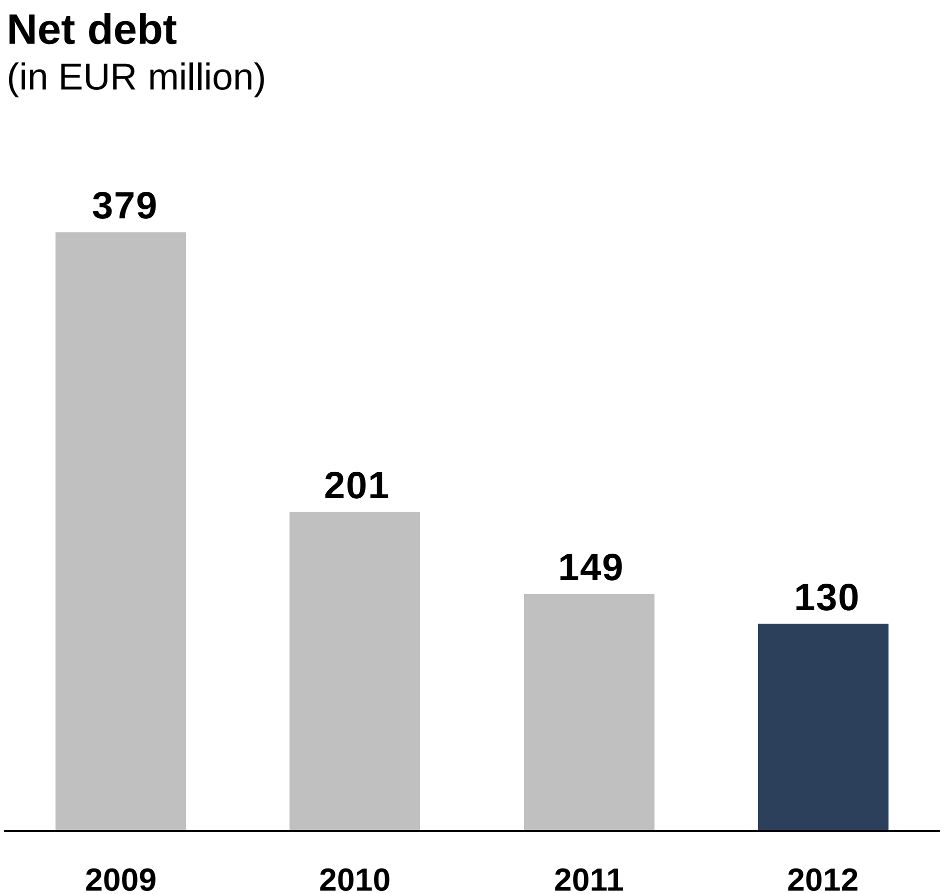
Dividend* and payout ratio



Dividend policy stipulates distribution of 60% to 80% of consolidated net profit

* Excluding special dividend // ** As a percentage of net profit attributable to the shareholders of the parent company

HUGO BOSS has reduced net debt significantly



- Excess cash to be used for further net debt reduction
- Growing operating lease obligation warrants continuation of current policy

2013 year-end levels below prior year

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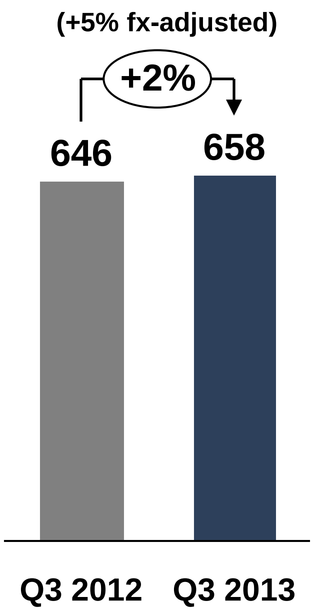
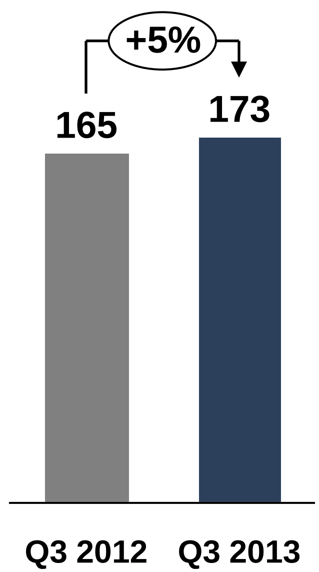
Solid sales and operating profit increases in the first nine months

Third quarter results

Sales
(in EUR million)

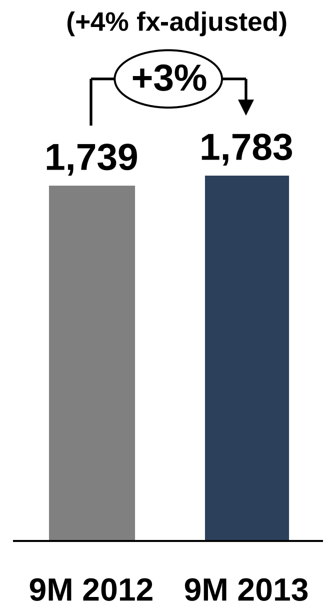


EBITDA before special items
(in EUR million)



Nine months results

Sales
(in EUR million)



EBITDA before special items
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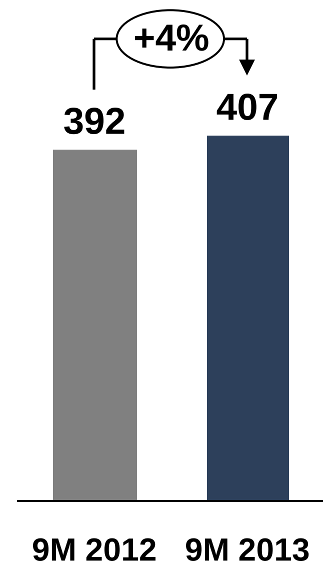
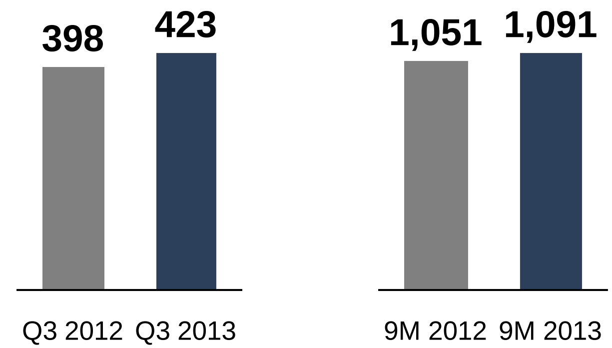


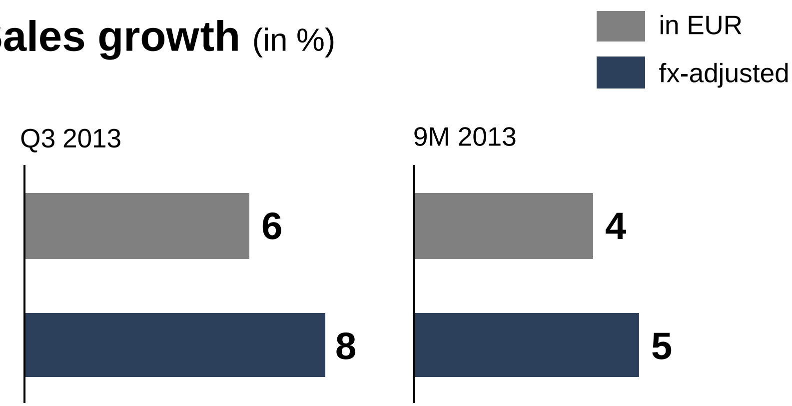
Improving growth dynamics in Europe

- Sales momentum picks up over the course of the quarter
- Key markets recover from more difficult first half year
- Wholesale trading environment continues to be challenging

Sales (in EUR million)



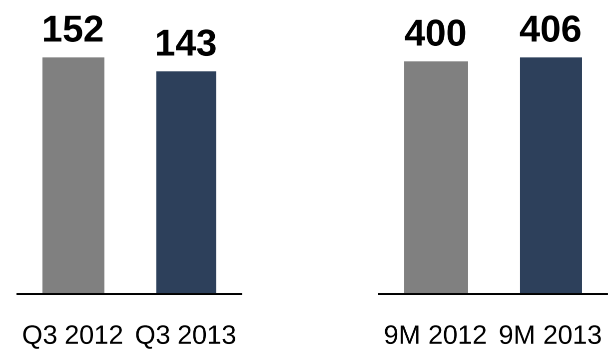
Sales growth (in %)



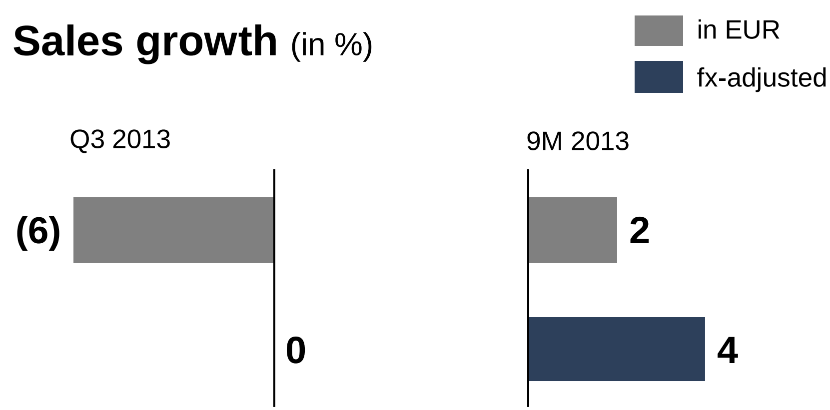
Mixed quarterly performance in the Americas

- Tough prior year comparison base
- Deteriorating wholesale sentiment
- Solid own retail performance

Sales (in EUR million)



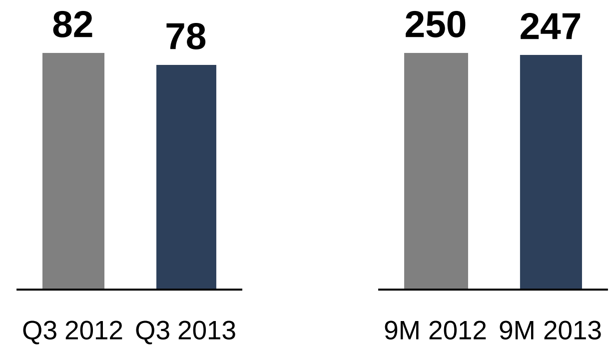
Sales growth (in %)



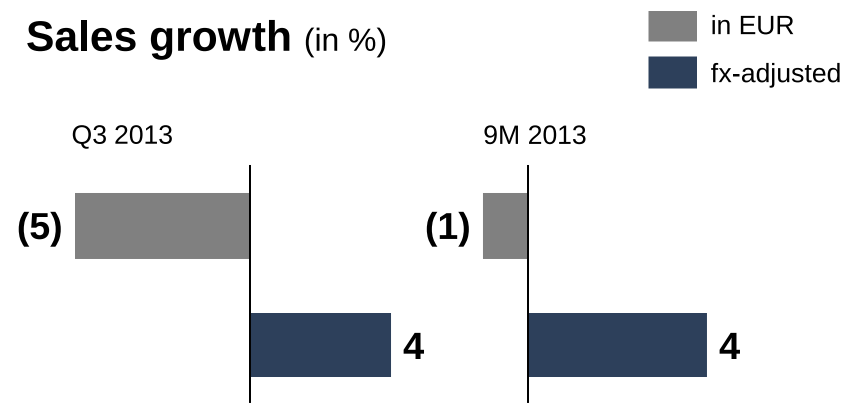
Trends in Asia broadly unchanged compared to first half year

- Chinese market environment remains challenging
- Robust growth in Hong Kong and Macau
- Japanese business benefits from repatriation of local demand

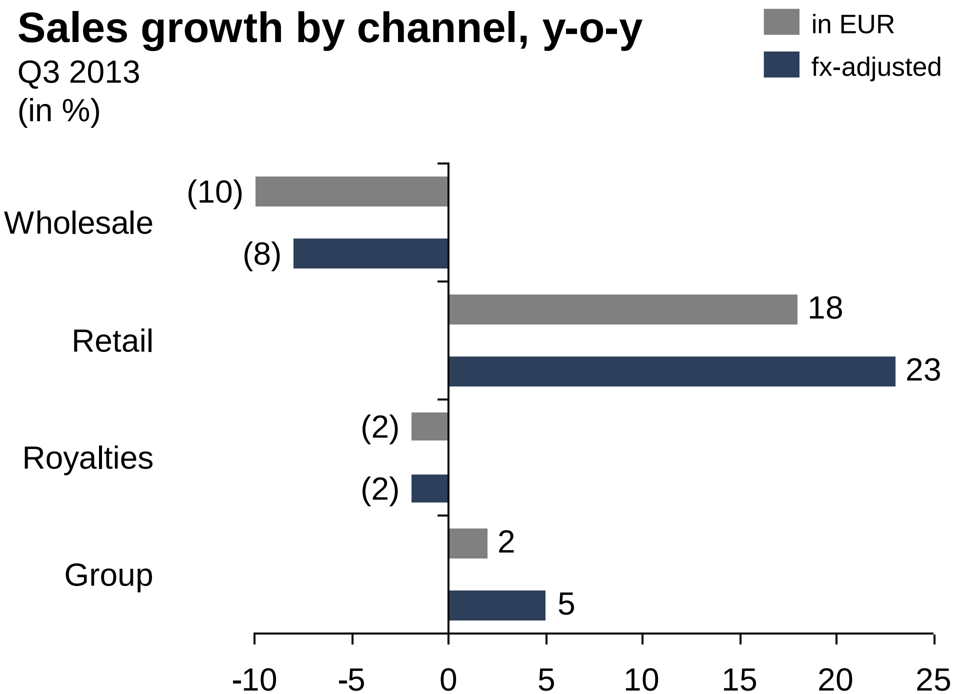
Sales (in EUR million)

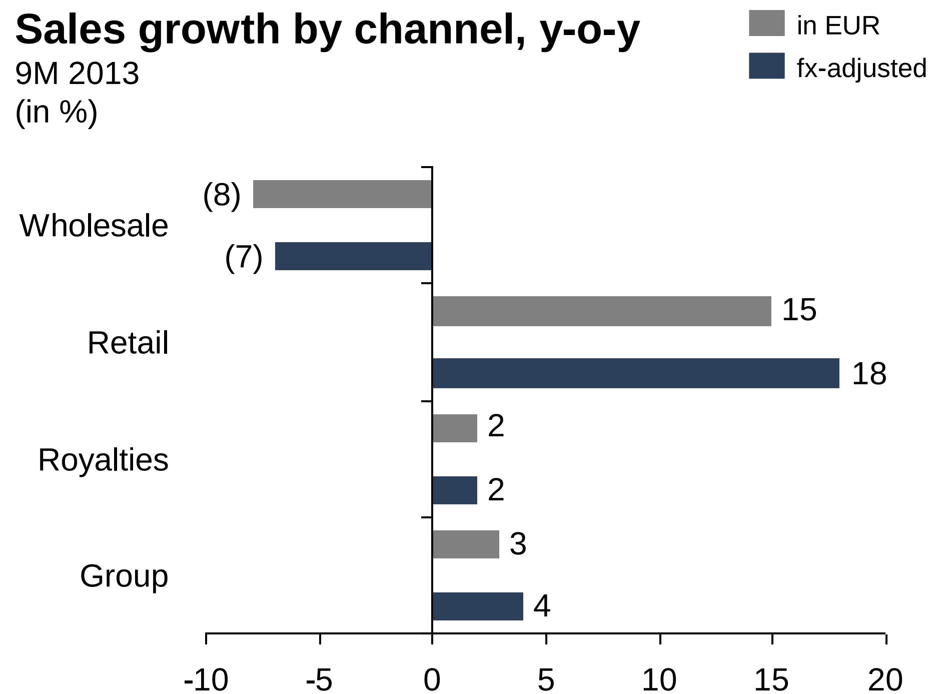


Sales growth (in %)



Retail sales growth accelerates in the third quarter

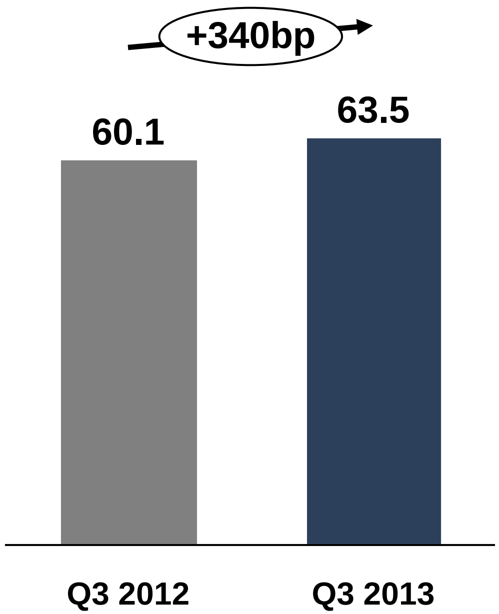




- **Wholesale** development affected by difficult market situation as well as takeover effects
- Third quarter **own retail** growth acceleration supported by improving comp store sales (up 4% in Q3, up 2% year-to-date)
- **Royalties** sales increase in the nine months period driven by eyewear and kidswear

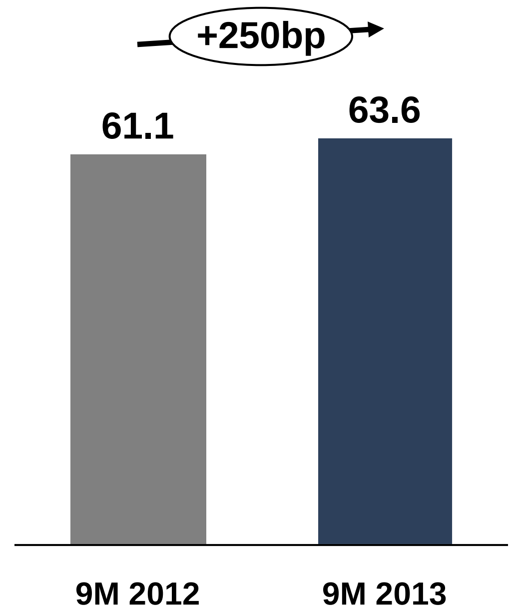
Gross margin expands strongly

Third quarter



- Distribution channel mix
- Reduction of mark downs
- Non-recurrence of prior year inventory devaluation effects

First nine months



- Distribution channel mix
- Non-recurrence of prior year inventory devaluation effects

EBITDA margin increases despite own retail driven operating expense growth

in EUR million	9M 2013	9M 2012	Change in %
Net sales	**1,783.1**	**1,738.5**	**3**
Gross profit	**1,134.7**	**1,061.7**	**7**
in % of sales	63.6	61.1	250 bp
Selling and distribution expenses	(636.8)	(573.3)	(11)
Administration costs and other operating income and expenses	(160.5)	(156.8)	(2)
Operating result (EBIT)	**337.4**	**331.6**	**2**
in % of sales	18.9	19.1	(20) bp
Financial result	(15.7)	(15.0)	(5)
Earnings before taxes	**321.7**	**316.6**	**2**
Income taxes	(74.0)	(76.0)	3
Net income	**247.7**	**240.6**	**3**
Attributable to:			
Equity holders of the parent company	244.7	237.7	3
Earnings per share (EUR)*	**3.55**	**3.44**	**3**
EBITDA before special items	**407.4**	**391.7**	**4**
in % of sales	22.8	22.5	30 bp

- Own retail expansion main driver of higher **selling and distribution expenses**
- Tight overhead cost management limits increases in **administration costs**
- Adverse exchange rate effects impact **financial result**

*basic and diluted earnings per share.

Broad based trade net working capital improvements

Inventories
(in EUR million)

- IT infrastructure and supply chain improvements

Trade receivables
(in EUR million)

- Declining wholesale sales

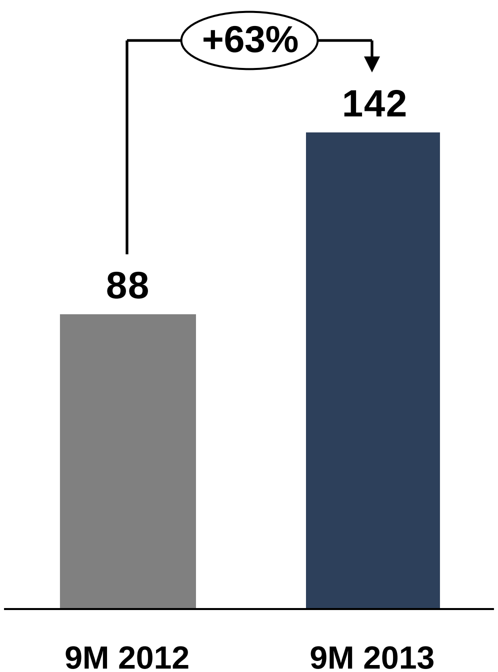
Trade payables
(in EUR million)

- Ongoing effective supplier management

Trade net working capital down 11% to EUR 455 million

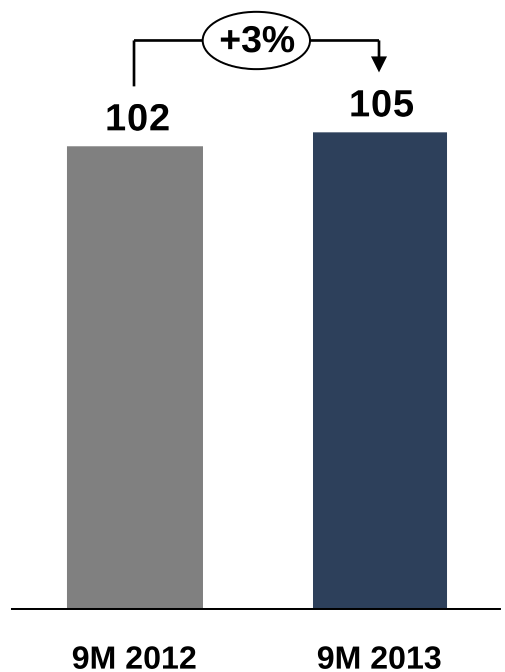
Free cash flow increases despite higher investments

Investments
(in EUR million)



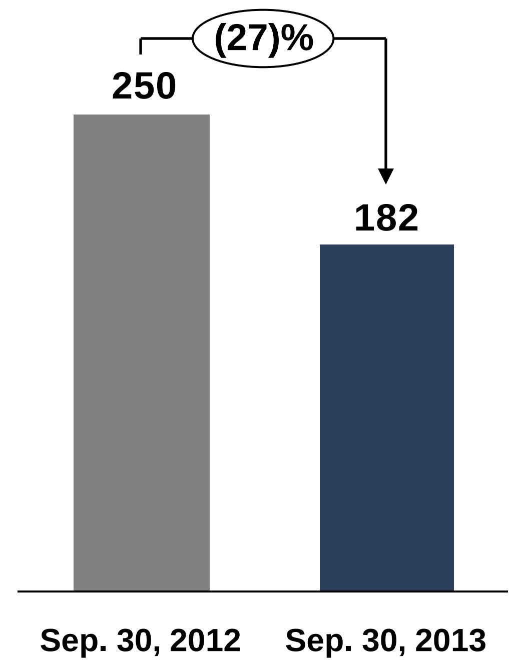
- Increase due to own retail expansion and infrastructure projects

Free cash flow
(in EUR million)



- Trade net working capital improvements more than offset higher investments

Net debt
(in EUR million)



- Strong reduction due to deconsolidation effects

Agenda

Strategy Update

Financial Strategy

Nine Months Results

Outlook

Full year 2013 targets confirmed

	2013 Outlook
Sales growth (currency-adjusted)	Between 6% and 8%
Growth of EBITDA before special items	Between 6% and 8%
Capex	Around EUR 150 million on a comparable basis
Own retail network	Around 50 net organic openings + around 110 shop-in-shop takeovers

HUGO BOSS has a clear long-term vision

HUGO BOSS will…

- **…further build its leading market position in the global premium and luxury apparel industry**, with an expanded womenswear and luxury offering adding to our historical strength in the menswear premium segment.
- **…continue developing into a world-class retailer**, offering inspirational shopping experiences across all consumer touchpoints.
- **…further balance its global market position**, offering one face to the customer across all regions.
- **…continue defining operational excellence in the industry**, with efficient processes enabling sound strategy execution and strong results development.
- **…continue demonstrating responsible management**, creating value for employees, customers, partners, shareholders and society.

BACKUP

Five year overview

in EUR million	2012	2011	2010	2009	2008
Earnings Position					
Sales	2,345.9	2,058.8	1,729.4	1,561.9	1,686.1
Gross Profit	1,453.2	1,264.8	1,027.2	847.1	891.0
EBITDA	525.1	468.0	340.1	235.8	284.2
EBITDA before special items	529.3	469.5	353.7	269.2	272.2
EBIT	433.2	394.6	267.9	157.4	174.8
Net income attributable to equity holders of the parent company	307.4	284.9	188.9	105.5	112.0
Financial Position and Dividend					
Free cash flow	220.6	194.9	246.3	299.5	48.1
Net debt	130.4	149.1	201.1	379.1	583.2
Capital expenditures	165.8	108.5	55.6	48.3	118.8
Depreciation/amortization	91.9	73.4	72.2	69.1	61.0
Dividend	215.3	199.1	139.7	66.6	94.9
Asset and Liability Structure					
Total assets	1,584.5	1,425.9	1,342.8	1,065.4	1,161.6
Shareholders' equity	637.9	523.2	361.2	205.5	202.9
Trade net working capital	417.6	407.3	322.7	295.6	458.3
Non-current assets	585.9	501.8	454.5	435.0	463.0
Key Ratios					
Gross profit margin in %	61.9	61.4	59.4	54.2	52.8
Adjusted EBITDA margin in %*	22.6	22.8	20.5	17.2	16.2
Total leverage**	0.2	0.3	0.6	1.4	2.1
Equity ratio in %	40.3	36.7	26.9	19.3	17.5

* EBITDA before special items/Sales

** Net debt/EBITDA before special items and expenses for the "Stock Appreciation Rights Program"

Profit & loss statement

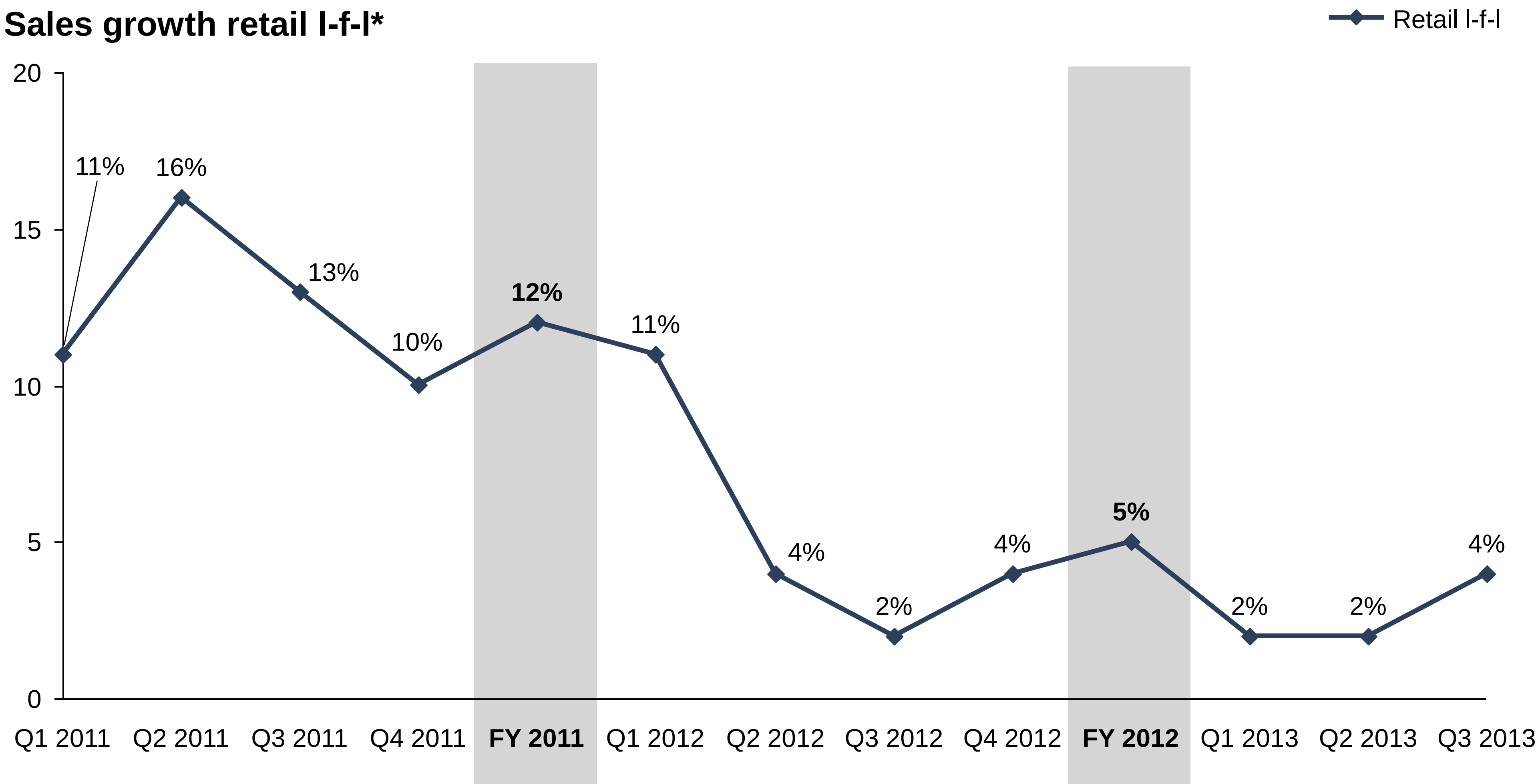
in EUR million	Q3 2013	Q3 2012	Change in %	9M 2013	9M 2012	Change in %
Net sales	**657.9**	**646.3**	**2**	**1,783.1**	**1,738.5**	**3**
Cost of sales	(227.3)	(244.9)	7	(613.1)	(642.8)	5
Direct selling expenses	(12.7)	(12.6)	(1)	(35.3)	(34.0)	(4)
Gross profit	**417.9**	**388.7**	**8**	**1,134.7**	**1,061.7**	**7**
in % of sales	63.5	60.1	340 bp	63.6	61.1	250 bp
Selling and distribution expenses	(221.2)	(193.2)	(14)	(636.8)	(573.3)	(11)
Administration costs and other operating income and expenses	(46.2)	(52.7)	12	(160.5)	(156.8)	(2)
Operating result (EBIT)	**150.5**	**142.8**	**5**	**337.4**	**331.6**	**2**
in % of sales	22.9	22.1	80 bp	18.9	19.1	(20) bp
Net interest income/expense	(1.2)	(4.2)	71	(7.1)	(11.6)	39
Other financial items	(3.2)	(2.6)	(23)	(8.6)	(3.4)	< (100)
Financial result	**(4.4)**	**(6.8)**	**35**	**(15.7)**	**(15.0)**	**(5)**
Earnings before taxes	**146.1**	**136.0**	**7**	**321.7**	**316.6**	**2**
Income taxes	(33.6)	(32.6)	(3)	(74.0)	(76.0)	3
Net income	**112.5**	**103.4**	**9**	**247.7**	**240.6**	**3**
Attributable to:						
Equity holders of the parent company	110.9	103.6	7	244.7	237.7	3
Minority interests	1.6	(0.2)	>100	3.0	2.9	5
Earnings per share (EUR)*	**1.61**	**1.50**	**7**	**3.55**	**3.44**	**3**

EBITDA before special items	**173.1**	**165.4**	**5**	**407.4**	**391.7**	**4**
in % of sales	26.3	25.6	70 bp	22.8	22.5	30 bp

*basic and diluted earnings per share.

Retail comp stores sales growth

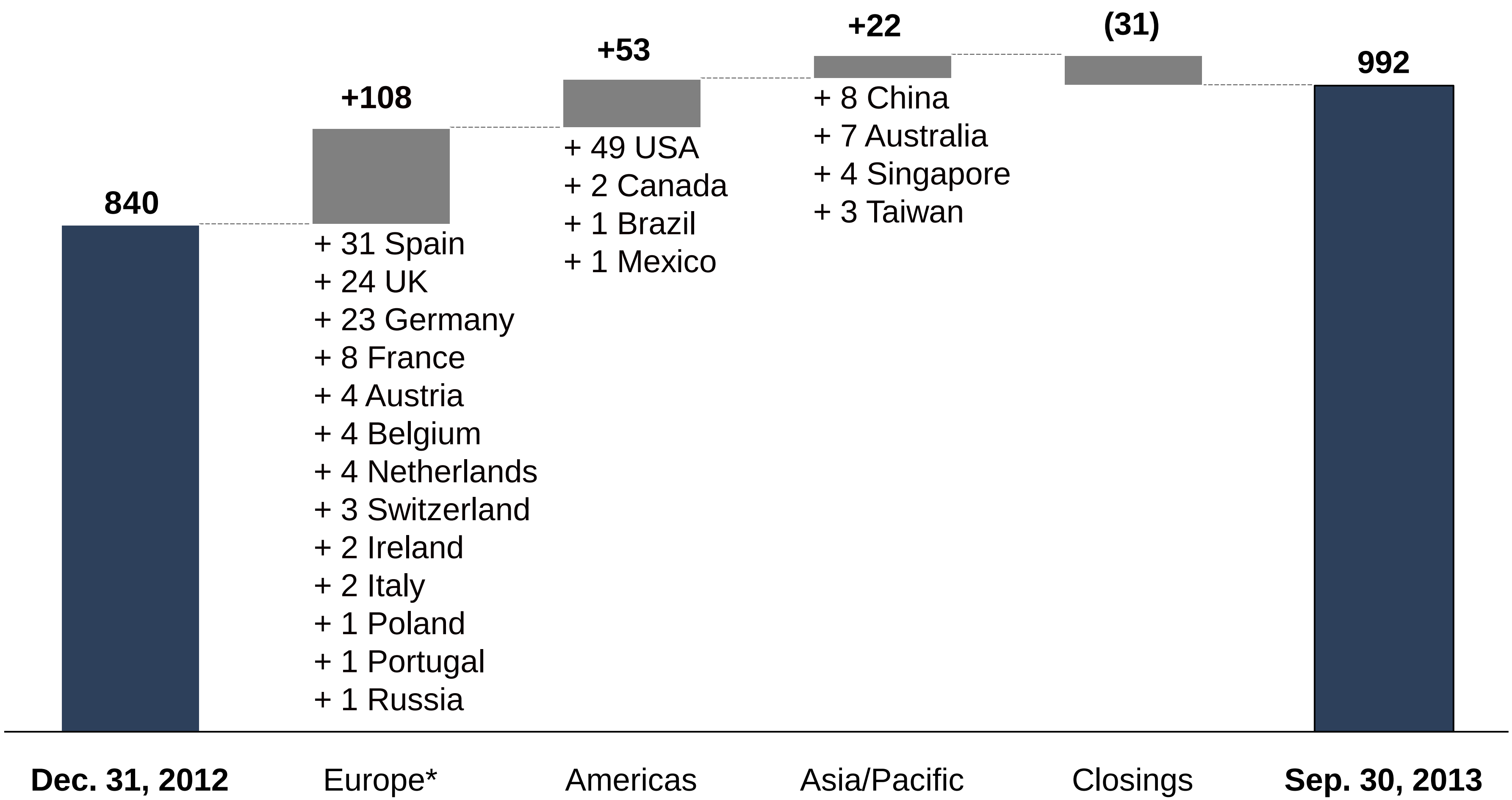
Sales growth retail l-f-l*



*Fx-adjusted.

Retail network significantly increased

Number of own retail stores:



*Europe incl. Middle East and Africa.

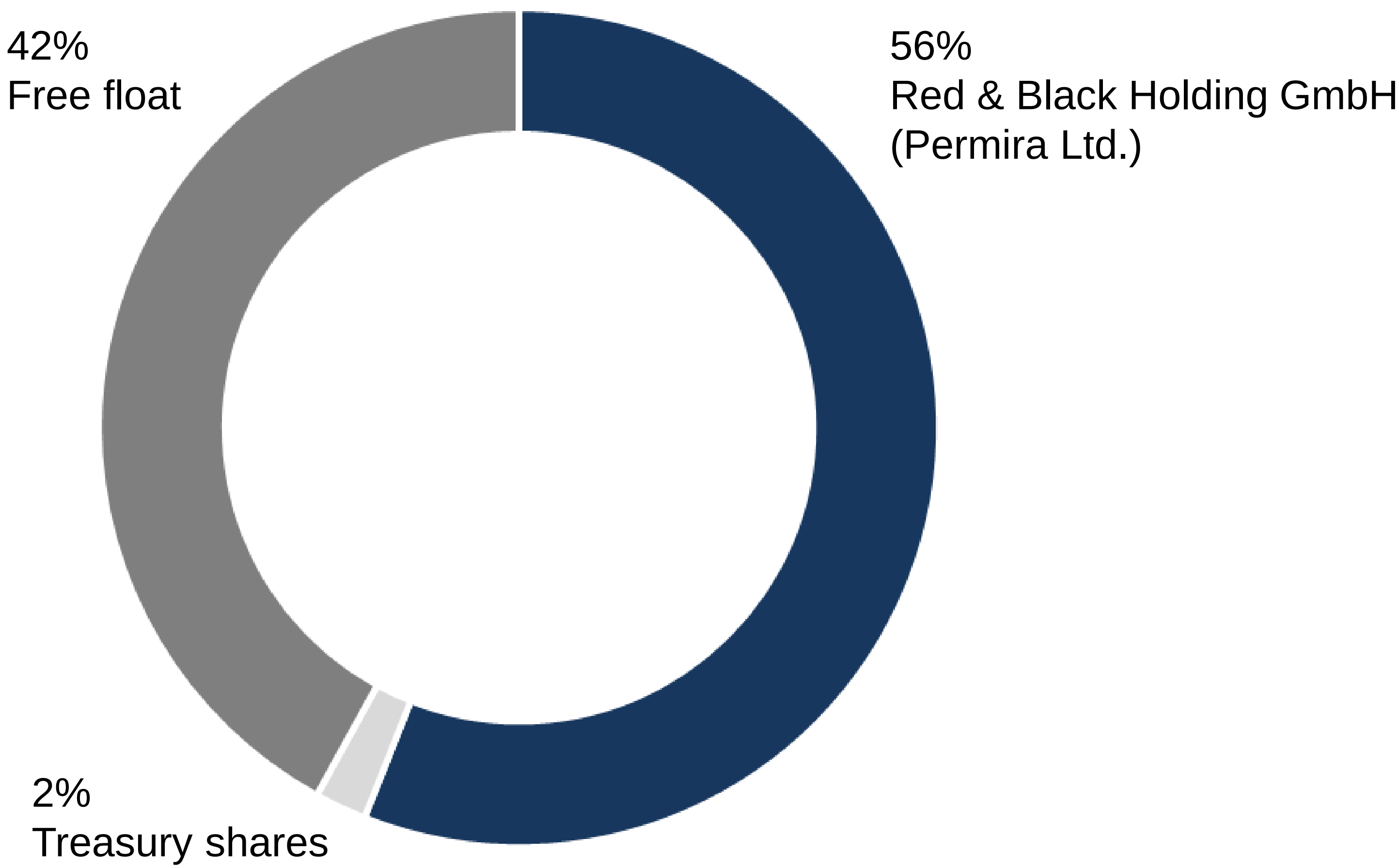
Mixed regional profitability developments

Segment profit in EUR million	9M 2013	in % of sales	9M 2012	in % of sales	Change in %
Europe*	401.1	36.7	392.0	37.3	2
Americas	106.3	26.2	106.3	26.6	0
Asia/Pacific	87.1	35.3	87.0	34.8	0
Royalties	32.7	84.2	33.8	88.7	(3)
Segment profit operating segments	**627.2**	**35.2**	**619.1**	**35.6**	**1**
Corporate units / consolidation	219.8		227.4		(3)
EBITDA before special items	**407.4**	**22.8**	**391.7**	**22.5**	**4**

- Retail expansion and takeovers affect operating margin development in **Europe**
- Moderate margin decline in the **Americas** despite decreased markdowns
- Strong gross margin improvement and tight cost management support margin increase in **Asia**

*incl. Middle East and Africa.

Shareholder structure*



* As of May 31, 2013. Source: Share register.

Level I ADR program

ADR Details	
Market	OTC
Symbol	BOSSY
CUSIP	444560106
Ratio	5 : 1
Country	Germany
Effective Date	Jan 18, 2013
Underlying SEDOL	B88MHC4
Underlying ISIN	DE000A1PHFF7
Depositary	BNY Mellon

Benefits of ADRs for U.S. investors

- Clear and settle according to normal U.S. standards
- Offer the convenience of stock quotes and dividend payments in U.S. dollars
- Can be purchased/sold in the same way as other U.S. stocks via a U.S. broker
- Provide a cost-effective means of international portfolio diversification

For questions about creating HUGO BOSS ADRs, please contact BNY Mellon:

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Financial calendar 2014

Date	Event
March 13, 2014	Press and Analysts’ Conference
May 7, 2014	First Quarter Results
May 13, 2014	Annual Shareholders’ Meeting
July 31, 2014	First Half Year Results
November 4, 2014	Nine Months Results

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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.

HUGO BOSS