

H U G O B O S S

HUGO BOSS First Half Year Results 2011

Claus-Dietrich Lahrs (CEO) | Mark Langer (CFO)

July 28, 2011

Claus-Dietrich Lahrs (CEO)

AGENDA

OPERATIONAL HIGHLIGHTS

FIRST HALF YEAR RESULTS 2011

OUTLOOK 2011

BACKUP

AGENDA

OPERATIONAL HIGHLIGHTS

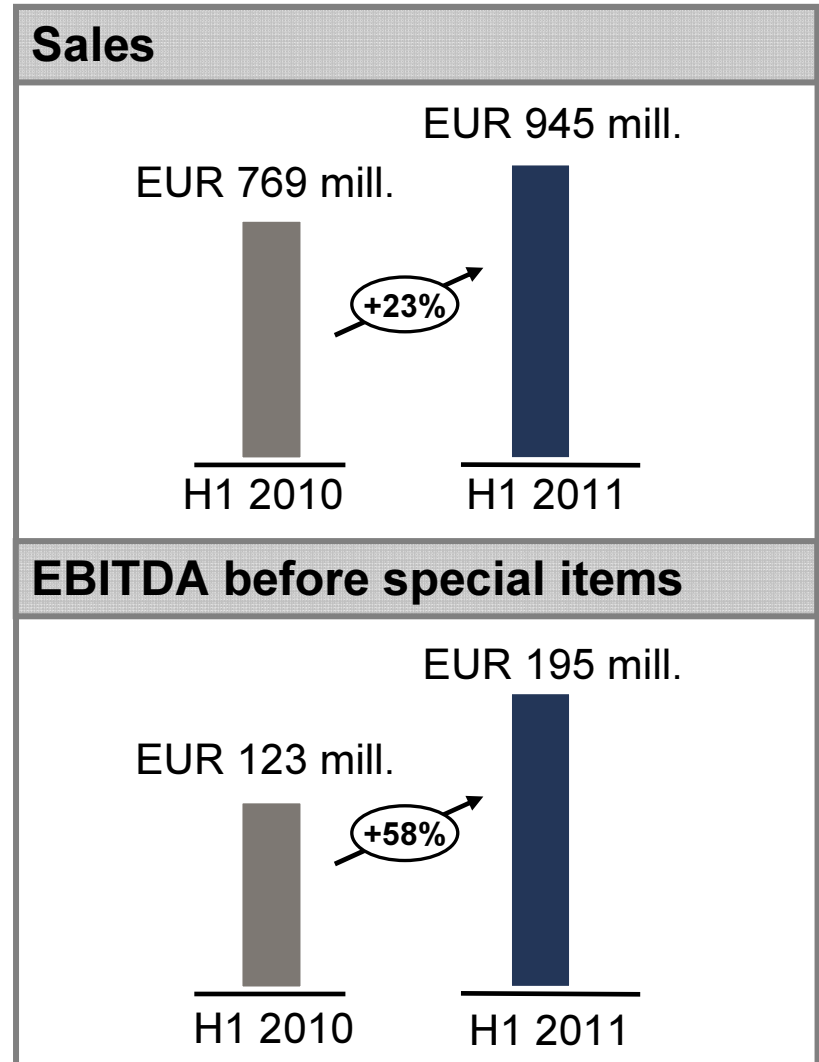
FIRST HALF YEAR RESULTS 2011

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Record half year results

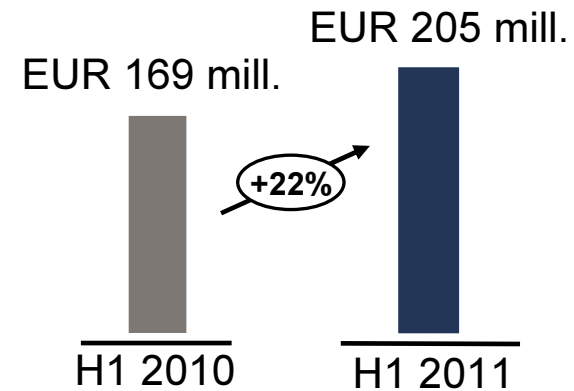
- Record top and bottom line results
- Successful execution of Group strategy
- Sustained growth momentum



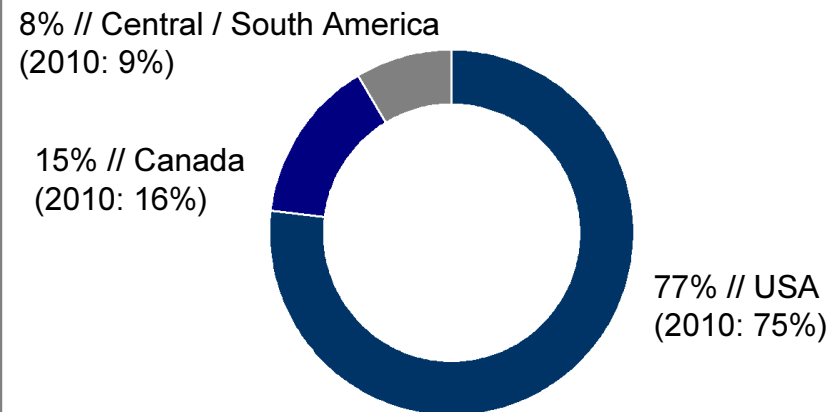
Fifth consecutive quarter of double-digit growth in the U.S.

- Revenues in the U.S. grow 32% on a currency-adjusted basis
- Strong wholesale partnerships
- U.S. comp store sales up 24%

Sales / Americas

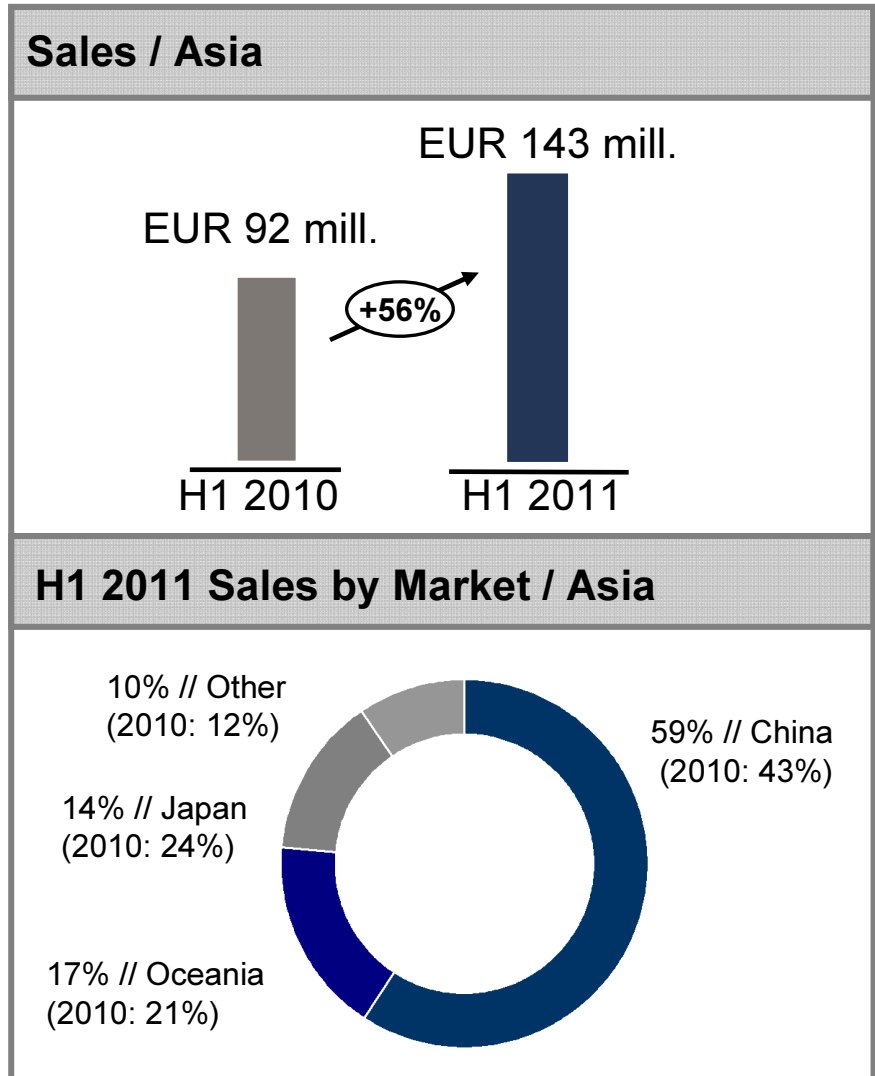


H1 2011 Sales by Market / Americas



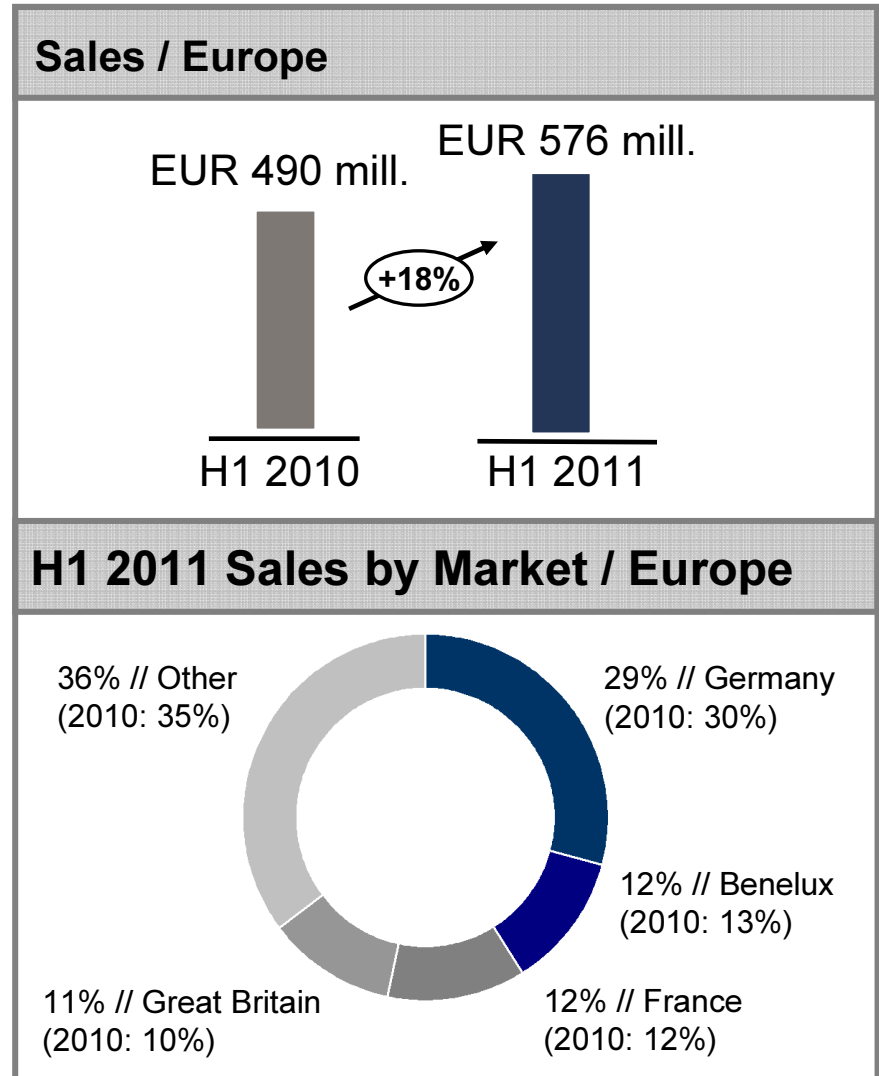
Rapid expansion in China continues

- Sales in China more than double
- Tier two and three cities focus of store expansion
- More than 85 own stores in China by the end of the year



Growth in all key European markets

- Selective retail expansion in Germany supplements strong wholesale business
- Successful Moss Bros integration in the UK further strengthens retail organization



Expansion of retail network in all regions

- BOSS Sportswear Store // Sylt, Germany
Opening date: April 2011
Net Size: 160 m²
- BOSS Black Shop // Changchun, China
Opening date: May 2011
Net Size: 199 m²
- BOSS Man Store // Palm Beach Gardens, USA
Opening date: May 2011
Net Size: 266 m²



BOSS Selection – Encouraging retailer feedback on new positioning

- New brand direction reflected in Autumn 2011 collection
- Impressive presentation of Spring 2012 collection at Pitti Uomo in Florence
- Strong reception by wholesale partners



BOSS Black – Growth momentum driven by Men's clothing



BOSS
HUGO BOSS

BOSS Green – Successful partnerships increase brand visibility



HUGO rocks Berlin

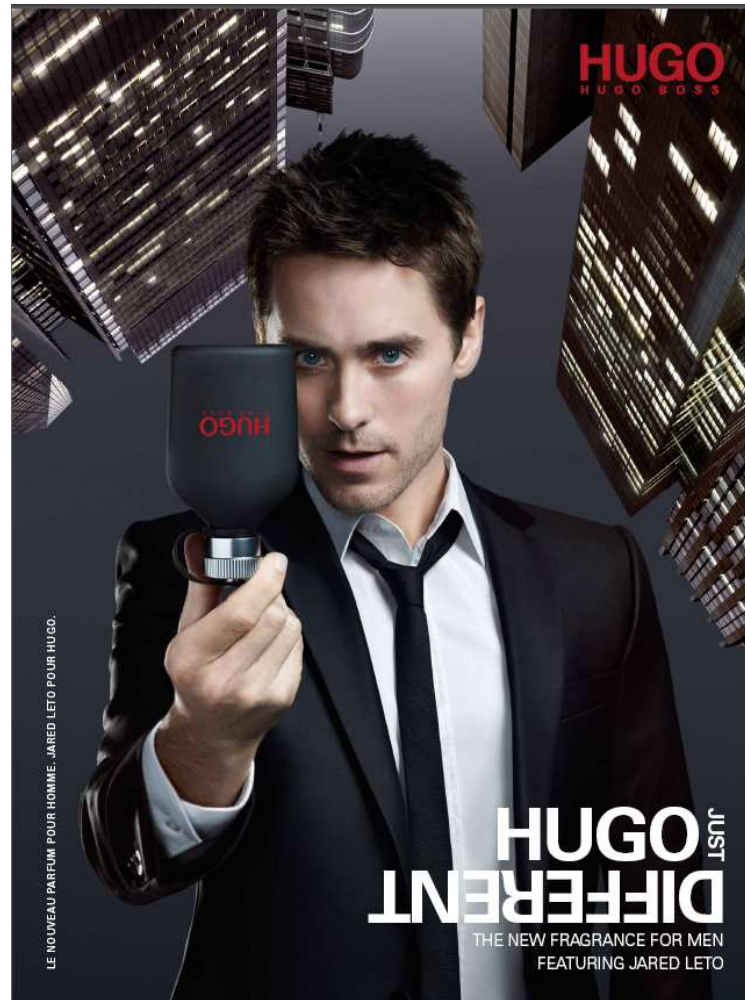
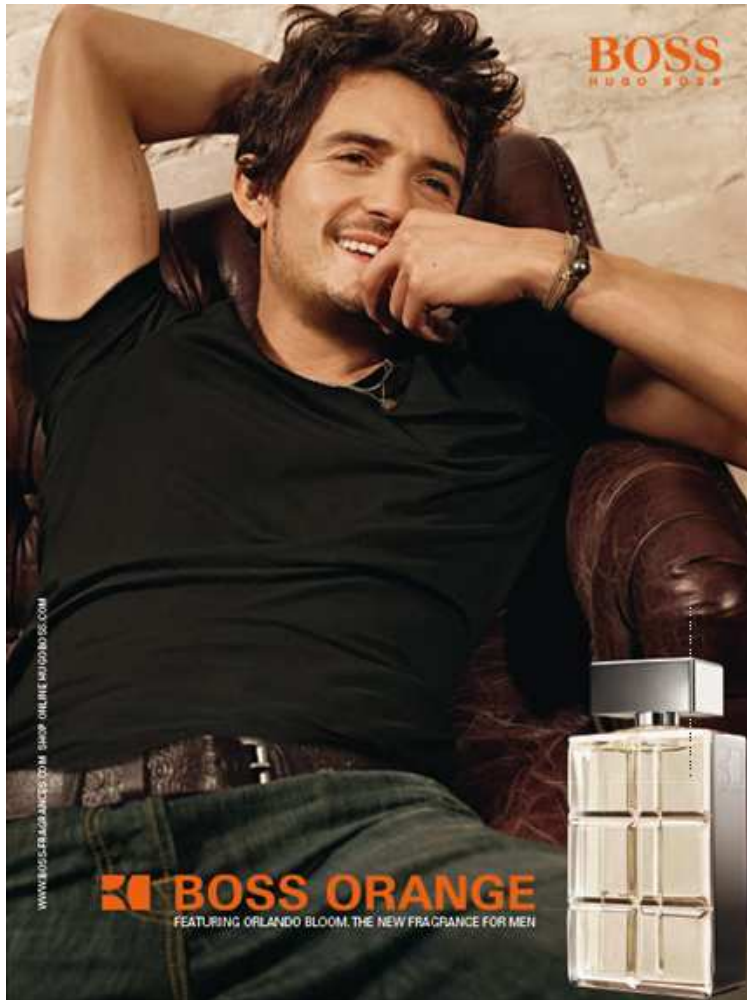
- Presentation of Spring 2012 collection highlight of Berlin Fashion Week
- New collection strongly underlines avant-garde fashion statement
- Extensive online coverage



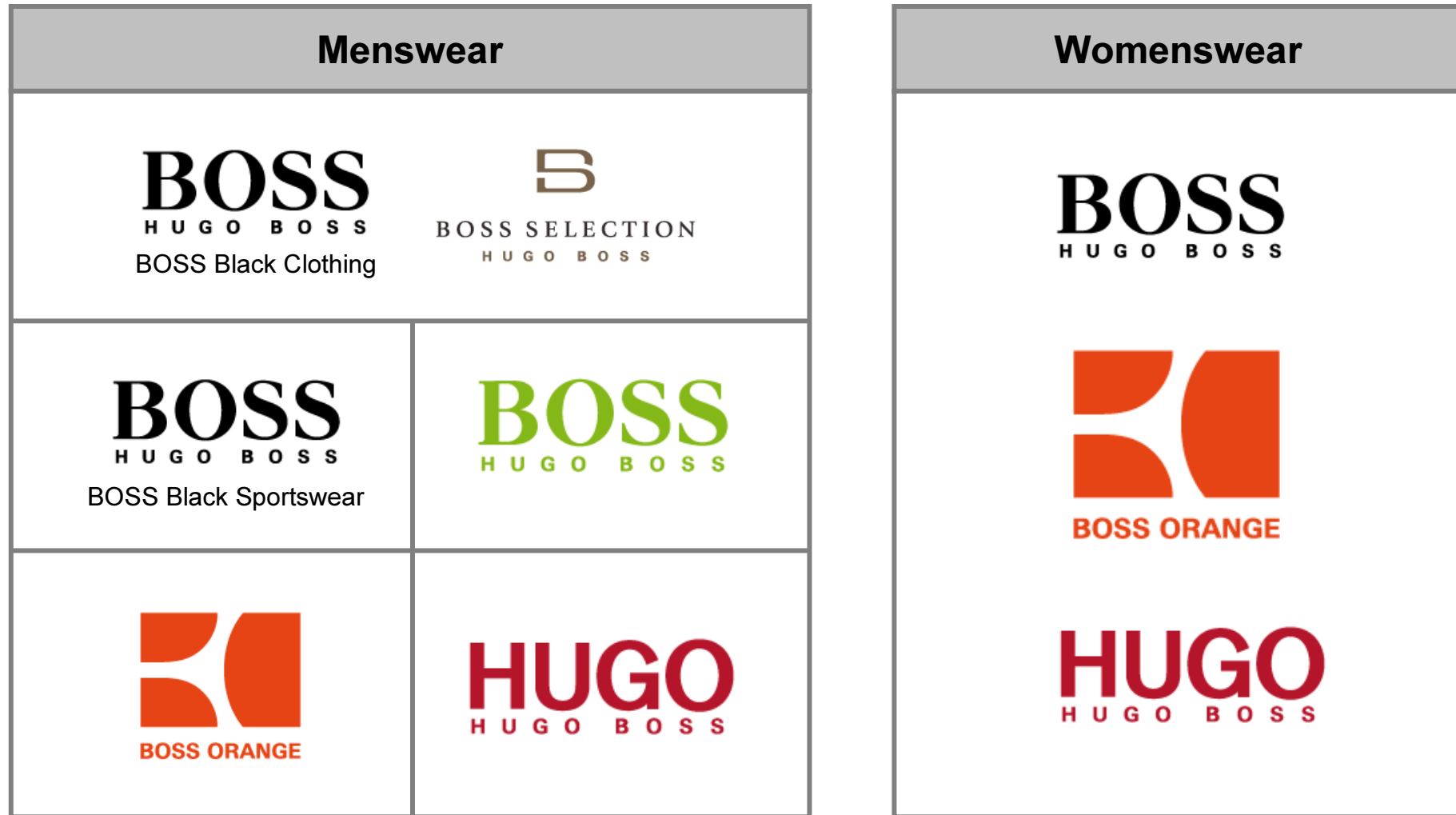
BOSS Orange – Conquering the premium casualwear segment



Royalties – Fragrance launches highlight strong product pipeline



Eyan Allen takes over responsibility for all Womenswear activities



Mark Langer (CFO)

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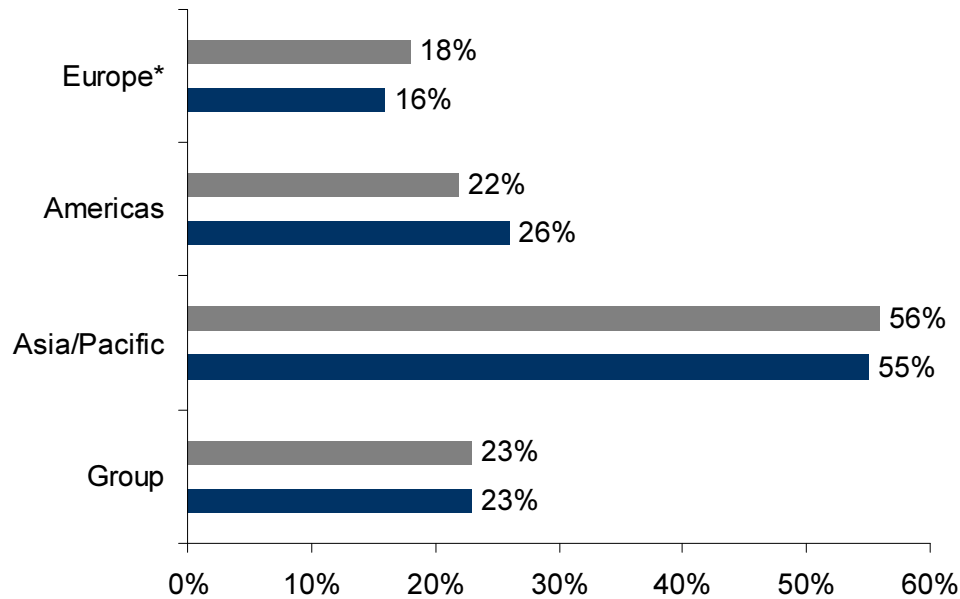
OUTLOOK 2011

BACKUP

SALES BY REGION – Strong momentum in all regions

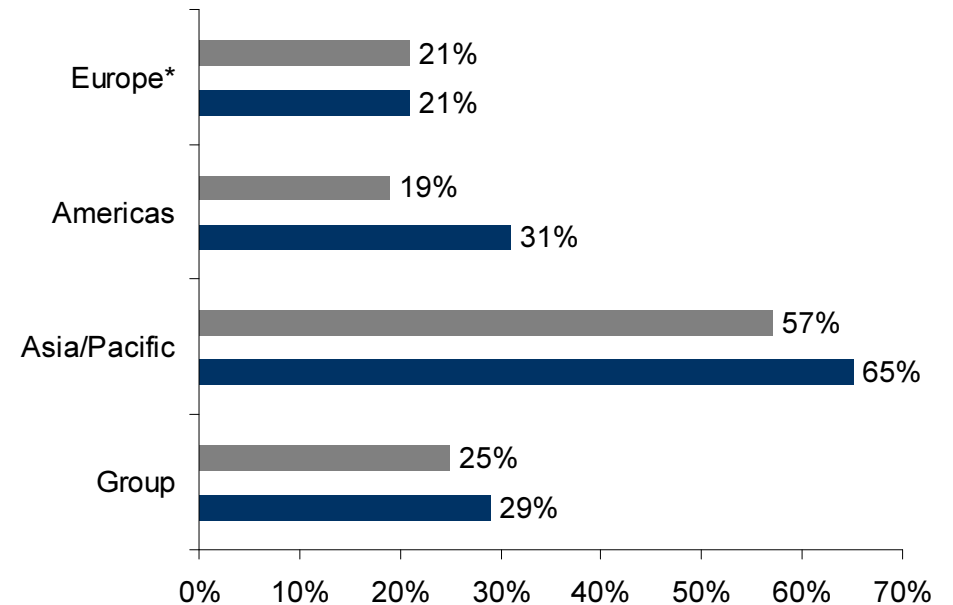
Sales development by region, y-o-y
H1 2011

■ in euro
■ fx adjusted



Sales development by region, y-o-y
Q2 2011

■ in euro
■ fx adjusted

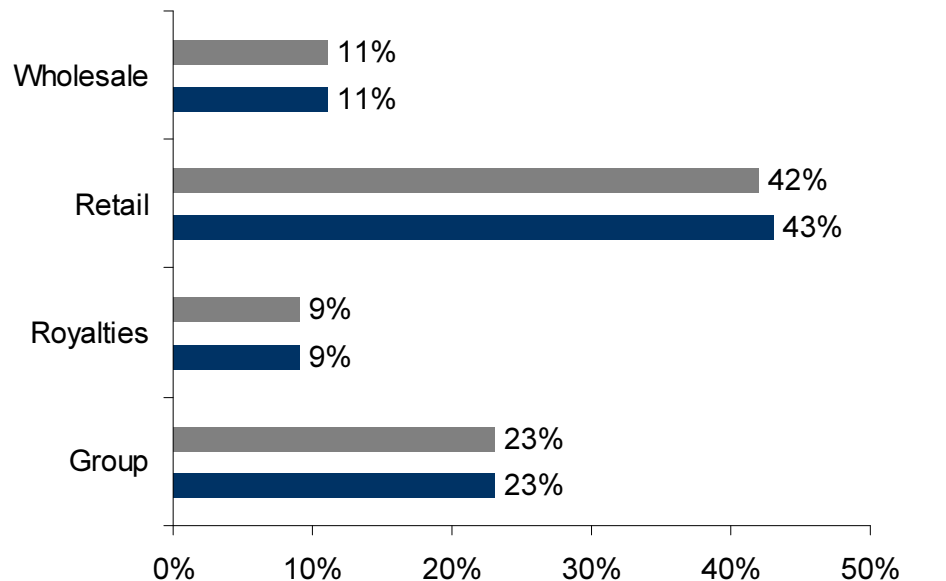


- Strength in all major European markets
- U.S. drives double-digit increases in the Americas
- China makes Asia/Pacific the strongest growing region

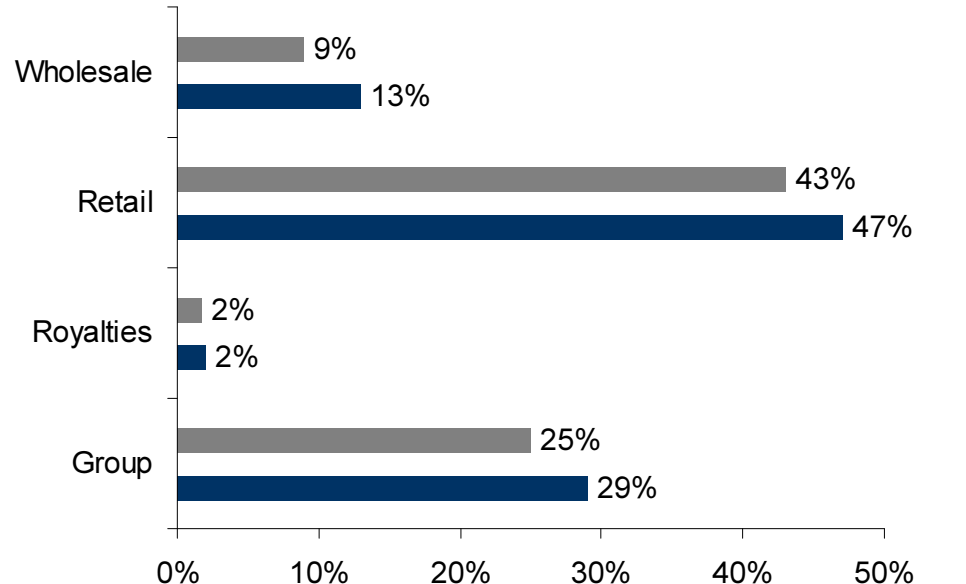
*incl. Middle East and Africa

SALES BY DISTRIBUTION CHANNEL – Own retail remains growth engine

Sales development by distribution channel, y-o-y H1 2011



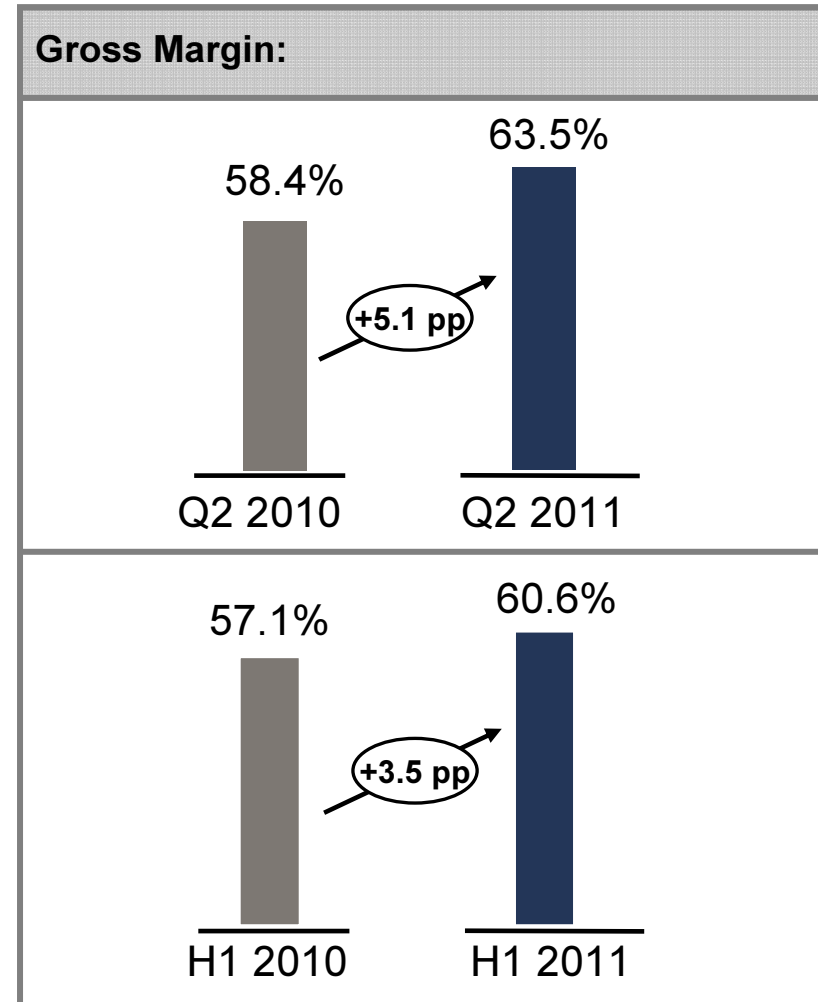
Sales development by distribution channel, y-o-y Q2 2011



- Wholesale sales development supported by good pre-order business as well as ongoing strong growth in replenishment business
- Retail increases driven by store expansion and comp store revenue growth (+10% year-to-date, +12% in Q2, both currency-adjusted)

INCOME STATEMENT – Own retail drives gross margin development

- Distribution channel mix
- Higher portion of full-price sell-throughs in own retail
- Impact from higher sourcing costs fully mitigated



INCOME STATEMENT – EBITDA margin up 460 basis points

in EUR million	Jan. - June 2011	Jan. - June 2010	Change in %
Net sales	944.6	769.0	23
Gross profit	572.3	439.2	30
in % of sales	60.6	57.1	3.5 pp
Selling and distribution expenses	(314.1)	(262.1)	(20)
Administration costs and other operating income and expenses	(96.5)	(90.0)	(7)
Operating result (EBIT)	161.7	87.1	86
in % of sales	17.1	11.3	5.8 pp
Financial result	(8.5)	(4.7)	(81)
Income taxes	(36.7)	(19.8)	(85)
Net income	116.5	62.6	86
Attributable to:			
Equity holders of the parent company	113.1	62.6	81
Earnings per share (EUR)¹			
Preferred share	1.64	0.91	80
EBITDA before special items	195.0	123.2	58
in % of sales	20.6	16.0	4.6 pp

¹ Basic and diluted earnings per share.

SEGMENT PROFIT – Profitability improvements in all regions

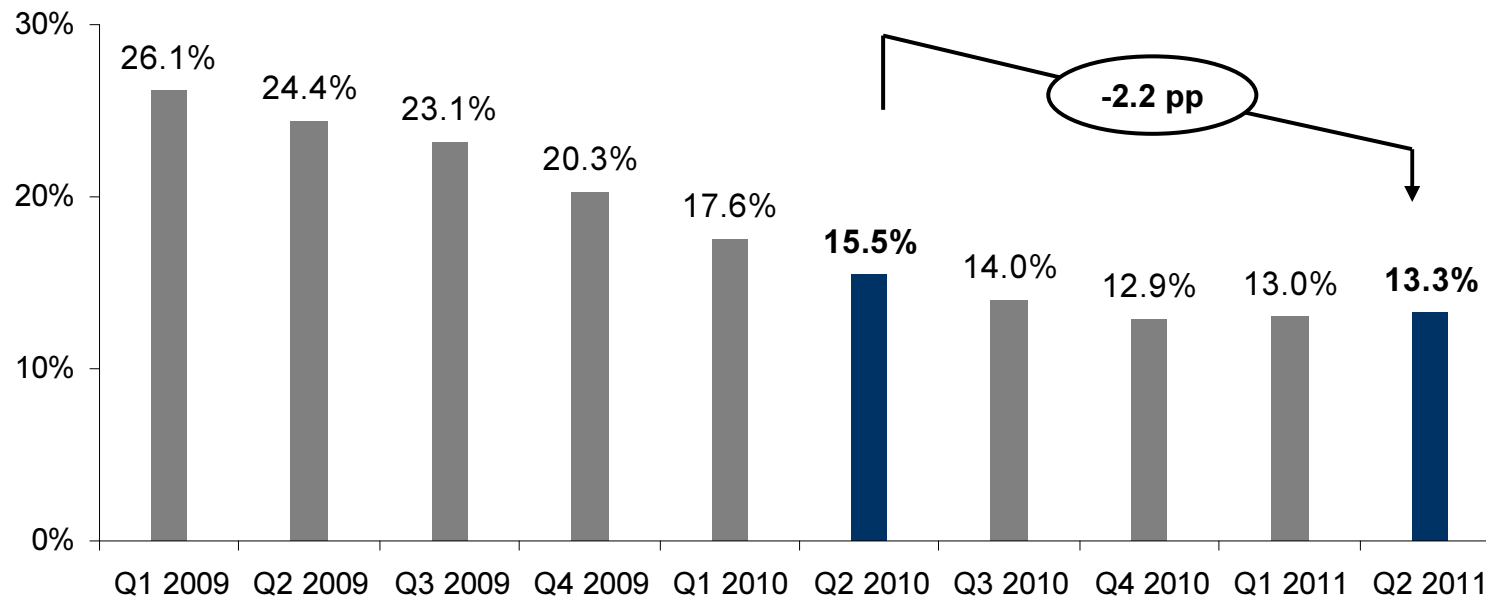
in EUR million	Jan. - June 2011	in % of sales	Jan. - June 2010	in % of sales	Change in %
Europe*	225.3	39.1	175.2	35.8	29
Americas	52.7	25.7	32.1	19.0	64
Asia/Pacific	50.2	35.1	28.0	30.5	79
Royalties	18.7	92.4	16.9	90.9	10
Segment profit operating segments	346.9	36.7	252.2	32.8	38
Corporate units / consolidation	(151.9)		(129.0)		
EBITDA before special items	195.0	20.6	123.2	16.0	58

- Gross margin improvements drive higher profits in Europe
- Strong EBITDA margin improvement in the Americas due to better wholesale and retail performance
- Positive country mix effect supports profitability in Asia

*incl. Middle East and Africa

NET WORKING CAPITAL – Stabilization at around 13% of Group sales

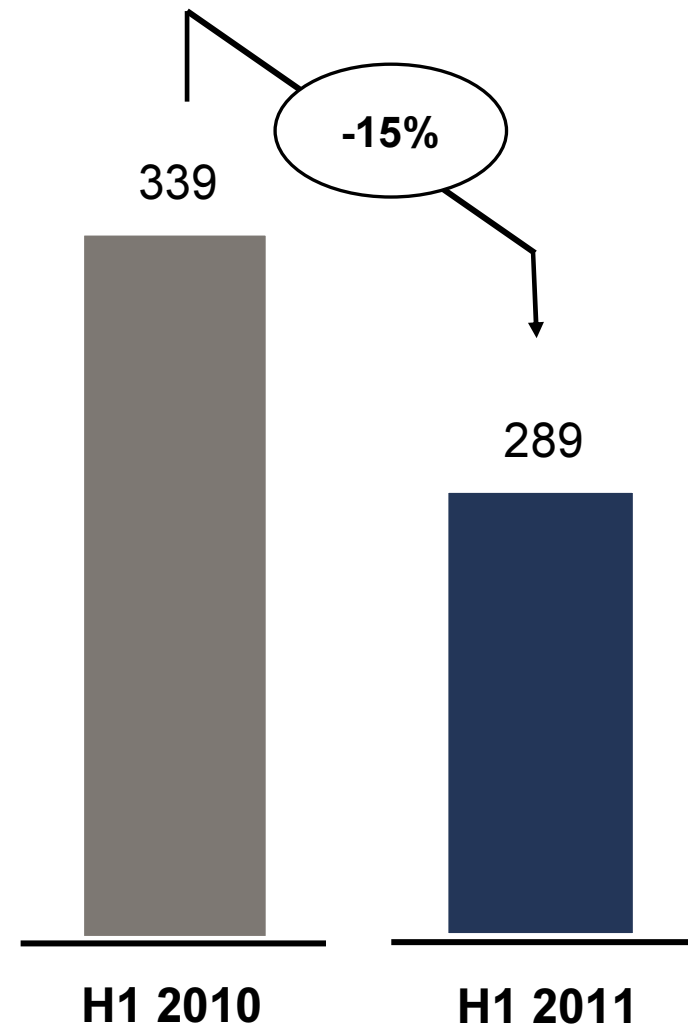
**Net working capital
as a percentage of sales by quarter
(in %)**



- Absolute net working capital increase driven by higher inventories
- Inventories up 23% primarily due to retail expansion and expected sales growth

NET DEBT – Strong profit development drives declines

- Higher capital expenditures reflect ongoing retail expansion
- Free cash flow generation supported by operating profit development
- Net financial liabilities decline 15% or EUR 50 million compared to the prior year



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FINANCIAL GUIDANCE – 2011 targets raised

2011 Outlook

**Sales growth
(currency-adjusted)**

15% - 17%

**Growth of EBITDA before
special items**

25% - 30%

Capex

approx. EUR 90 mill.

Own retail network

Expansion by around 70 stores

HUGO BOSS set for continued growth

- Ongoing strong consumer demand in all regions
- Positive feedback on new collection presentations
- Implementation of Project D.R.I.V.E. well under way



QUESTIONS & ANSWERS

AGENDA

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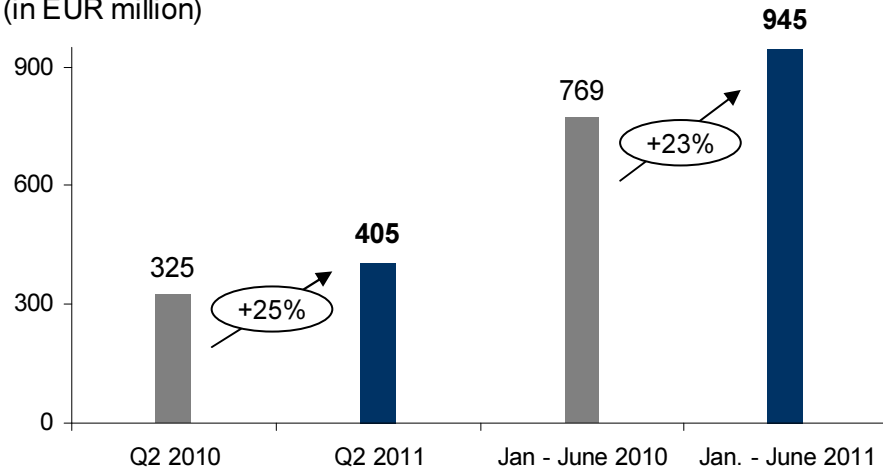
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FIRST HALF YEAR RESULTS AT A GLANCE

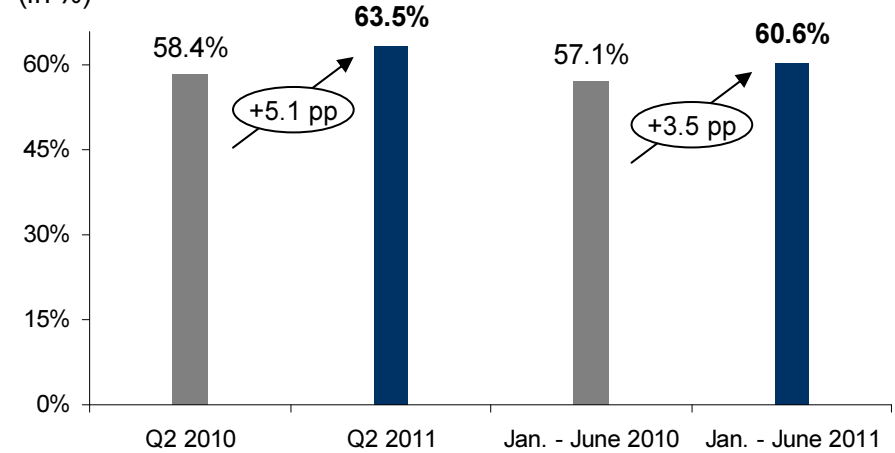
Sales

(in EUR million)



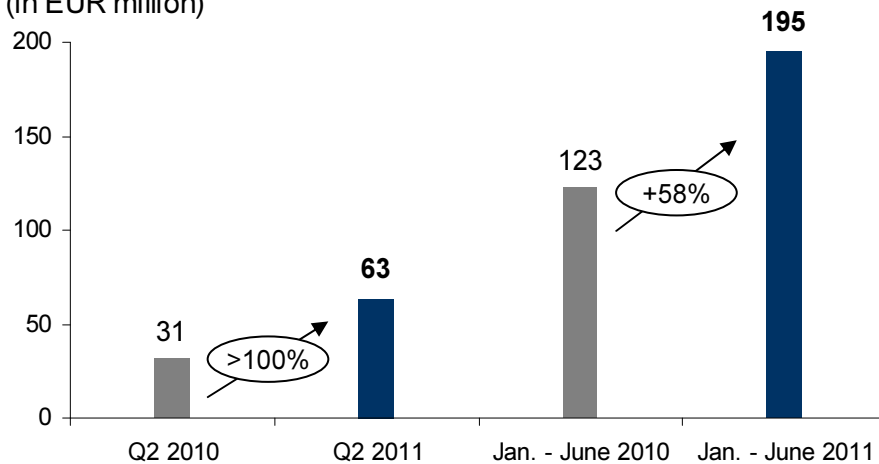
Gross margin

(in %)



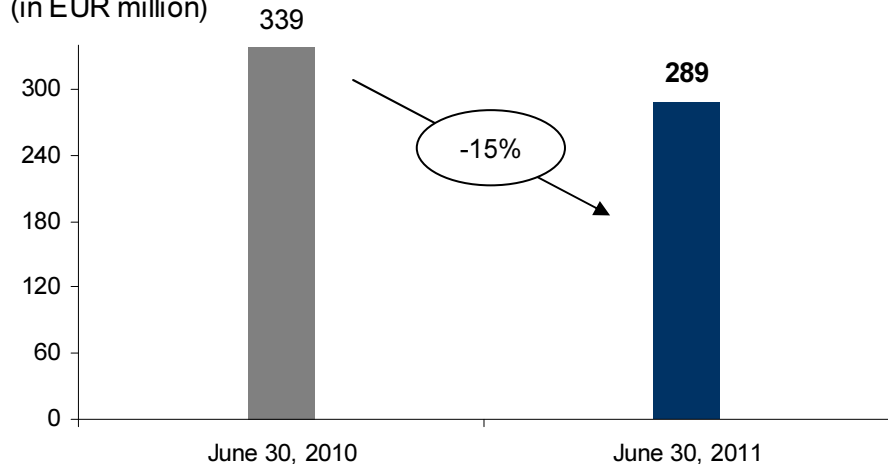
EBITDA before special items

(in EUR million)



Net debt

(in EUR million)



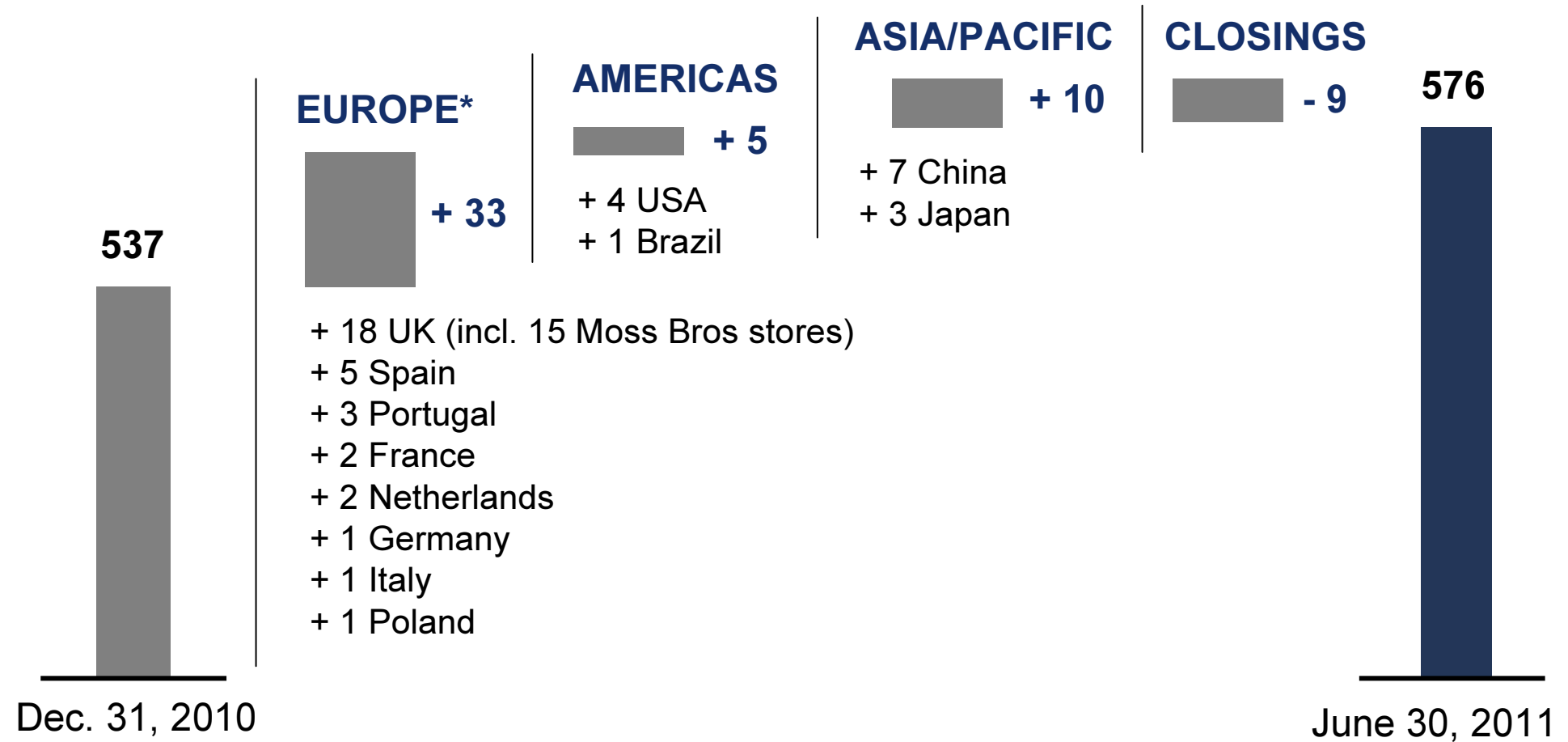
GROUP INCOME STATEMENT

in EUR million	Jan. - June 2011	Jan. - June 2010	Change in %	Q2 2011	Q2 2010	Change in %
Net sales	944.6	769.0	23	405.4	324.8	25
Cost of sales	(355.3)	(315.9)	(12)	(141.5)	(129.4)	(9)
Direct selling expenses	(17.0)	(13.9)	(22)	(6.3)	(5.8)	(9)
Gross profit	572.3	439.2	30	257.6	189.6	36
in % of sales	60.6	57.1	3.5 pp	63.5	58.4	5.1 pp
Selling and distribution expenses	(314.1)	(262.1)	(20)	(161.6)	(129.4)	(25)
Administration costs and other operating income and expenses	(96.5)	(90.0)	(7)	(50.2)	(49.3)	(2)
Operating result (EBIT)	161.7	87.1	86	45.8	10.9	>100
in % of sales	17.1	11.3	5.8 pp	11.3	3.4	7.9 pp
Net interest income/expense	(7.7)	(8.6)	10	(3.9)	(4.3)	9
Other financial items	(0.8)	3.9	>(100)	1.5	1.8	(17)
Financial result	(8.5)	(4.7)	(81)	(2.4)	(2.5)	(4)
Earnings before taxes	153.2	82.4	86	43.4	8.4	>100
Income taxes	(36.7)	(19.8)	(85)	(10.4)	(2.1)	>100
Net income	116.5	62.6	86	33.0	6.3	>100
Attributable to:						
Equity holders of the parent company	113.1	62.6	81	31.1	6.4	>100
Minority interests	3.4	(0.0)		1.9	(0.1)	>(100)
Net income	116.5	62.6	86	33.0	6.3	>100
Earnings per share (EUR)¹						
Common share	1.63	0.90	81	0.45	0.09	>100
Preferred share	1.64	0.91	80	0.45	0.09	>100

¹ Basic and diluted earnings per share.

RETAIL NETWORK – Net increase of 39 stores in first half of 2011

Number of own retail stores:



*Europe incl. Middle East / Africa

FINANCIAL CALENDAR 2011

Date	Event
July 28, 2011	First Half Year Results 2011
November 2, 2011	Nine Months Results 2011
November 8, 2011	Investor Day 2011

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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