HUGO BOSS

MANAGEMENT REPORT AND FINANCIAL STATEMENTS
OF HUGO BOSS AG FOR FISCAL YEAR 2012

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MANAGEMENT REPORT AND FINANCIAL STATEMENTS OF HUGO BOSS AG FOR FISCAL YEAR 2012

MANAGEMENT REPORT

1

BUSINESS ACTIVITIES AND GROUP STRUCTURE

HUGO BOSS is one of the world market leaders in the premium and luxury segment of the apparel market. The Company focuses on developing and marketing high-end women's and men's fashion and accessories. With its brand world, HUGO BOSS targets different, clearly defined consumer groups. The brands cover an extensive product range consisting of classic-modern business wear, elegant evening wear and sportswear, shoes and leather accessories and licensed fragrances, eyewear, watches, children's fashion, motorcycle helmets, mobile phones, mobile accessories, home textiles.

Intensive marketing activities and the sponsorship of sports and cultural events enhance the worldwide recognition of HUGO BOSS and the image of its brands. Alongside traditional forms of advertising such as print and out-of-home, the relevant consumer groups are increasingly being addressed through new marketing instruments such as social networks. Sports sponsorship activities focus on premium sports such as Formula 1, sailing and golf and are an ideal vehicle for conveying the brand values such as dynamism, perfection and precision. In its cultural sponsorship activities, the Company highlights the similarities between art and fashion in terms of design, aesthetics and creativity. The Company also shines at high profile fashion events in the world's fashion capitals, further emphasizing the appeal and acceptance of the Group's brands among key target groups and emotionally charging the HUGO BOSS brand world.

HUGO BOSS products are predominantly manufactured by independent suppliers, which are mainly based in Eastern Europe and Asia. The Company sells its products in 129 countries around the world. The most important sales region is Europe. Today customers can purchase HUGO BOSS products at more than 6,300 points of sale. In addition to multi-brand points of sale operated by wholesale partners, the importance of monobrand points of sale is growing significantly. HUGO BOSS stores are operated either by franchise partners or by the Company itself.

ORGANIZATIONAL STRUCTURE

HUGO BOSS AG headquartered in Metzingen, Germany is the parent company of the HUGO BOSS Group. All Group central management functions are located here. The most important tasks of HUGO BOSS AG are establishing a corporate strategy (especially the brand and sales strategy), financing and risk management as well as making collection decisions and managing the sales network. Besides internal communication, HUGO BOSS AG is also especially responsible for external communication, including contact with the capital market and shareholders.

In addition to HUGO BOSS AG , the Group consists of 53 consolidated subsidiaries, which run local business operations. HUGO BOSS AG had a direct interest in 13 companies in the past fiscal year. A detailed overview of the direct and indirect interests of HUGO BOSS AG can be found in note 2 of the Notes to the Annual Financial Statements.

The management structure of HUGO BOSS AG is primarily based on the framework of corporate law. As a German stock corporation (Aktiengesellschaft), HUGO BOSS AG has a dual management and control structure. The Company is managed by the Managing Board as a whole. The Supervisory Board advises the Managing Board and oversees its management of the Company. Essential information on the remuneration of the Managing Board and Supervisory Board is given in the compensation report. The share-based compensation for executives is in the notes on page 90 et seq.

The members of the Managing Board of HUGO BOSS AG have equal standing. They and the Chairman of the Managing Board are represented on the Board with areas of responsibility that include their individual central functions. The areas of responsibility for the central functions are divided up among the members of the Managing Board as follows:

CLAUS-DIETRICH LAHRS
Chairman of the Managing Board
Responsible for Distribution, Retail,
Royalties, Communication and Global Replenishment

CHRISTOPH AUHAGEN
Responsible for Brand Management,
Creative Management, Sourcing and Manufacturing

MARK LANGER
Responsible for Controlling, Investor Relations,
Finance, Legal and Compliance, Human Resources, Logistics, IT
and Central Services
Director for Labor Relations

The directors of the regions Europe incl. Middle East/Africa, Americas and Asia/Pacific as well as the directors of central functions belong to an extended executive committee established in 2008 to support the Managing Board's activities.

GROUP MANAGEMENT

MANAGING BOARD AS A WHOLE RESPONSIBLE FOR GROUP MANAGEMENT

HUGO BOSS AG is managed by the Managing Board as a whole, which in particular determines the Group's strategic orientation. Operational implementation of the Group strategy takes place in close cooperation with the regional and brand directors and the heads of the central functions. The organizational and management structure clearly allocates authority and responsibilities within the Group and defines the reporting lines. It thus directs all Group resources towards sustainably increasing enterprise value. The strategy is equally advantageous for HUGO BOSS AG , which directly benefits from the increases in the company value through the intercompany exchange of goods and services, with its performance being monitored on the same basis of corporate KPIs.

KEY PERFORMANCE INDICATORS

KEY PERFORMANCE INDICATORS OF THE HUGO BOSS GROUP

FOCUS ON INCREASING FREE CASH FLOW
To increase enterprise value, HUGO BOSS focuses on maximizing its free cash flow. A permanent positive free cash flow ensures the Group's financial independence and solvency at all times. The main levers for improving free cash flow are increasing sales and operating income, defined as EBITDA (earnings before interest, taxes, depreciation and amortization) before extraordinary items. The free cash flow development is also supported by systematic management of trade net working capital and disciplined investment activity.

DEFINITION FREE CASH FLOW

	Cash flow from operating activities
+	Cash flow from investing activities
=	**FREE CASH FLOW**

SALES AND EBITDA

As a growth-oriented company, HUGO BOSS AG attaches particular importance to profitably increasing sales. All activities for increasing sales are measured by their potential to increase EBITDA adjusted for special items and the adjusted EBITDA margin (ratio of income to sales) in the long term. As a key driver of free cash flow, EBITDA was identified as the most important key performance indicator. Improving the gross margin is seen as the main lever for increasing the EBITDA margin in improving efficiency in the own retail business and optimizing the pricing strategy. In addition, operating expenses are strictly monitored with the aim of limiting increases in relation to sales to a low level.

The management of the Group companies is directly responsible for profitable corporate growth. Therefore, some of the total remuneration of distribution company managers is variable and linked to sales and EBITDA targets in addition to other key cash flow indicators.

TRADE NET WORKING CAPITAL

Given HUGO BOSS' relatively non-capital-intensive business model, trade net working capital is the key performance indicator for maximizing efficiency in the use of capital.

DEFINITION TRADE NET WORKING CAPITAL

	Inventories
+	Trade receivables
–	Trade payables
=	**TRADE NET WORKING CAPITAL**

Managing inventories, trade receivables and trade payables is the responsibility of the operational business units. These three components are managed with the key figures of DIO (days inventories outstanding), DSO (days sales outstanding) and DPO (days payables outstanding), to which the variable remuneration of the distribution units' management is also partially linked. In addition, the ratio of trade net working capital to sales is covered by management targets, planning and monthly reporting by the business units.

CAPITAL EXPENDITURE

The potential value added of proposed investment projects is assessed in line with the relevant capital costs. The focus of investment activity is currently on the expansion of its retail activities. For this reason, a specific approval process has been set up for projects in this area. In addition to qualitative analysis of potential locations, this process also involves assessing the net present value of each project in particular.

INTERNAL MANAGEMENT SYSTEM

The Company's planning, management and monitoring activities focus on optimizing the key performance indicators described above. The key elements of the internal management system are:

- Group planning,
- Group-wide, IT-based reporting and
- investment controlling.

Planning covers a rolling three-year period. It is prepared annually as part of the company-wide budget process and taking into account the current business situation.

Based on central targets set by the Group's Managing Board, the distribution companies prepare comprehensive earnings, accounting and investment planning for the sales markets or business areas for which they are responsible. From this, the development and sourcing units derive their medium-term capacity planning and translate this into cost planning. The bottom-up planning by the business units is checked centrally for plausibility and aggregated into overall Group planning.

The annual planning is revised at regular intervals with regard to the actual business development and existing risks and opportunities in order to be able to forecast consolidated net income for the current year. The Group Treasury department also prepares a monthly liquidity forecast on the basis of the anticipated cash flow development. This allows for early identification of financial risks and timely implementation of measures with regard to financing and investment needs. In addition, the currency-differentiated liquidity planning provides a foundation for initiating potential currency hedging activities.

REPORTING

The Managing Board is informed of the operational development on a monthly basis in the form of standardized, largely IT-based reports with differing levels of detail. This reporting is supplemented with ad hoc analyses if required. Actual data as generated by the Group-wide reporting system is compared against planning data on a monthly basis. Deviations from targets must be explained and the planned countermeasures must be described. Developments with a significant influence on consolidated net income must be reported to the Managing Board immediately. Particular importance is also attached to analyzing early indicators able to provide an indication of future business development. In this context, order intake, the performance of replenishment business and retail sales area productivity are analyzed on at least a weekly basis. In addition, benchmark analyses with major competitors are conducted at regular intervals.

INVESTMENT CONTROLLING

Investment controlling assesses planned and implemented investment projects in respect of their contribution to the Company's profitability targets. In doing so, only those projects that are expected to help improve the Company's economic performance are initiated. The profitability of projects already realized is reviewed by way of subsequent analyses at regular intervals. In the event of deviations from the profitability targets originally set, countermeasures are implemented.

STRATEGY

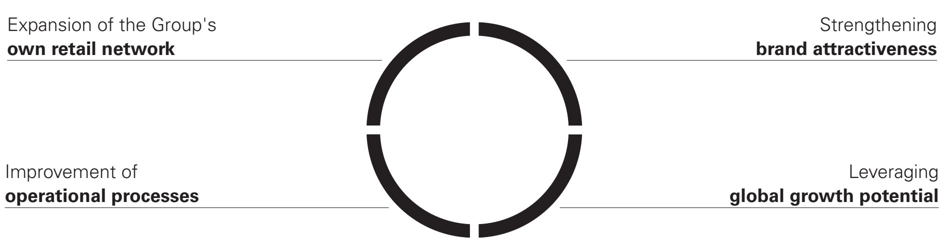
MEDIUM-TERM TARGETS

The successful business performance of the past years highlights the strength of HUGO BOSS' business model. This forms the basis for achieving its ambitious growth targets. The Group aims to generate sales of EUR 3 billion and an operating result (EBITDA before special items) of EUR 750 million in 2015 through organic growth. Together with the strict management of trade net working capital and disciplined investment activity, the planned earnings increase will form the basis for the intended maximization of free cash flow and thereby for enhancing enterprise value.

MEDIUM-TERM GROWTH STRATEGY BASED ON FOUR PILLARS

HUGO BOSS has identified four main growth areas for which strategic initiatives have been defined to increase sales and earnings in the long term. The attractiveness of the individual brands will be further strengthened by appealing product initiatives and persuasive brand communication. In future, the Company's own retail activities will be expanded to become the most important distribution channel. HUGO BOSS also believes there is considerable growth potential in Asia and America. Finally, operational processes are to be strengthened further.

MID-TERM GROWTH STRATEGY



STRENGTHENING BRAND ATTRACTIVENESS

STRONG BRANDS FORM THE BASIS FOR THE COMPANY'S FUTURE SUCCESS

The expertise that has been amassed over the decades in the segment of high-end womenswear and menswear, shoes and leather accessories in the premium and luxury segment defines the offering of all Group brands. All brands are distinguished by the use of the highest quality materials, excellent workmanship and outstanding design. In addition to its core BOSS brand, the Company also offers consumers the brands BOSS Green, BOSS Orange and HUGO to address different target groups with a variety of attitudes and needs.

HUGO BOSS is constantly sharpening the positioning of its brands to clearly distinguish them from each other and the competition. In addition to developing an unmistakable signature design for the collections, the focus here is on individually tailored communication for the different brands and optimal presentation at the point of sale.

CORE BOSS BRAND DEFINES CONSUMER PERCEPTION OF HUGO BOSS

HUGO BOSS feels there is considerable potential for further growth in all brands. The core BOSS brand will remain by far the largest single brand moving forward as well. It stands for sophisticated, elegant fashion that appeals to fashionably minded men and women who wish to be perfectly dressed in both the business wear and sportswear arenas. By absorbing the BOSS Black and BOSS Selection brands into the core BOSS brand, starting with the Fall 2013 collection brand presentation will be simplified to strengthen the market position of BOSS in the luxury goods area especially. In particular, the Made to Measure range will be expanded significantly in order to emphasize the company’s skill in couture of the highest quality.

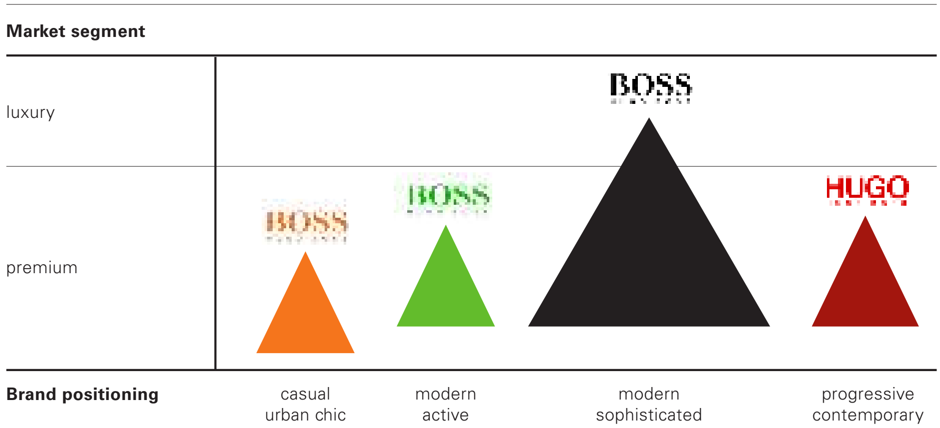
HUGO — THE COMPANY'S FASHION SPEARHEAD

The HUGO brand enjoys a strong market positioning among highly fashion-conscious consumers thanks to its progressive style and avant-garde design. Its minimalist design language and reduced looks mean that HUGO can be clearly distinguished from the competition. The Group believes there is substantial growth potential for this brand in selectively rolling out its own retail presence on markets such as the United States in particular, where HUGO market penetration is still comparatively low.

CONVINCING SPORTSWEAR RANGE ALLOWS HUGO BOSS TO STAND OUT FROM COMPETITION

In addition to its historically strong market position in menswear, HUGO BOSS also has a high-quality sportswear range in the BOSS, BOSS Orange and BOSS Green brands. While BOSS stands for sophisticated, elegant sportswear and the highest standards of quality, design, fit and workmanship, BOSS Orange appeals to generally younger customers who prefer an individual and unconventional clothing style. Finally, BOSS Green scores with active sportswear that combines fashion and technology with style.

HUGO BOSS BRAND POSITIONING



EXPANSION OF MARKET POSITIONING IN WOMENSWEAR

HUGO BOSS is striving to improve its market positioning in womenswear. As a separate unit under independent management, the organizationsl set-up of this division has been strengthened significantly. In addition to the clothing range with which HUGO BOSS scores with a modern design signature, a reliable fit and appealing value for money, there are also attractive growth opportunities in leisurewear and shoes and accessories that turn the apparel collections into complete outfits. Accordingly, HUGO BOSS will be devoting more of its own retail space to womenswear in future. Furthermore, womenswear will be promoted for the first time in 2013 with an exclusive campaign and a dedicated presentation at the New York Fashion Show.

EXTENSIVE BRAND COMMUNICATION ACTIVITIES

HUGO BOSS supports the perception of its brands with extensive communications activities. In addition to the print campaigns tailored to the individual brand identities, a modern brand image is heightened by selective sports sponsorship activities in motor sports, golf and sailing in particular. Furthermore, fashion shows such as that planned in Shanghai for May 2013 elevate the visibility of the brands to consumers, the trade press and business partners. HUGO BOSS is also stepping up its online activities in order to maintain a presence in the relevant social networks and blogs and so as to enter into an increasingly more individual dialog with its customers.

EXPANSION OF THE GROUP'S OWN RETAIL NETWORK

OWN RETAIL A KEY GROWTH DRIVER

HUGO BOSS is increasingly gearing its distribution activities and its business model towards its own retail operations, without neglecting its wholesale business. Here, HUGO BOSS is taking account of the growing consumer demand for mono-brand sales formats, particularly in emerging markets such as China, and the attractive return profile of this distribution channel. Thanks to new store openings, takeovers and productivity enhancements, the Group anticipates that the share of sales of its own retail activities will rise to at least 55% in 2015 (2012: 49%).

FURTHER IMPROVEMENT IN RETAIL EXPERTISE

In past years, HUGO BOSS has implemented important measures to adapt its business model more closely to the requirements of its own retail operations to be able to react more quickly to market changes. The collection cycle has been changed from previously two collections per year to currently four. Changing monthly themes constantly ensure new purchase incentives to increase customer traffic. By reducing the time to market — the time between the start of collection development and its delivery to customers — from 50 weeks in the past to 38 weeks today, brand and creative management can now apply information from sales in the preceding season directly to the development of the subsequent collection and thereby optimize the collection structure. Products which have strong sales potential and which are highly significant to the collection statement are included in the so called core range that will be offered in all own stores in Europe.

ENHANCING SERVICE QUALITY A TOP PRIORITY

Knowing that customers demand similarly good service with excellent products, increasing customer satisfaction is a high priority at HUGO BOSS. The remuneration system for sales staff is designed to motivate them to enhance service quality. Compliance with service standards is checked and measured on an ongoing basis by mystery shopping visits. Any deficits are mainly addressed by comprehensive training activities.

SYSTEMATIC CUSTOMER RELATIONSHIP MANAGEMENT

HUGO BOSS has also stepped up its efforts in customer relationship management in order to better understand and satisfy its customers’ requirements and thereby improve their loyalty to the brand. HUGO BOSS is reaching out to its customers with an ever greater degree of personalization with relevant and interesting information and offers to provide them with an attractive brand experience across all channels. In particular, consumers can register with their local stores to be invited, for example, to exclusive collection launches or special store events.

FURTHER EXPANSION OF STORE NETWORK PLANNED

HUGO BOSS sees itself as having major opportunities to increase its global market penetration by opening new stores and shop-in-shops in the coming years. Around 50 such openings are scheduled to take place annualy in the next few years. As well as opening new stores, the Group also examines possibilities for acquiring stores previously operated by franchise partners, depending on the attractiveness and growth prospects of the market in question. There is also intriguing potential in taking over the management of shop-in-shops previously under the responsibility of wholesale partners. Last year, HUGO BOSS greatly improved the sales productivity of the spaces it took over by designing its own assortments and providing its own sales staff, thereby generating a positive sales and earnings effect. Furthermore, HUGO BOSS is investing in the renovation of existing stores to elevate the consistency of global brand perception and space productivity.

RISING SIGNIFICANCE OF ONLINE RETAIL ACTIVITIES

In addition to its bricks and mortar retail, HUGO BOSS is also pushing its online retail activities in keeping with the growing acceptance of this distribution channel by consumers. As well as opening new online stores, there is a focus on continuously optimizing the existing stores in the U.S., the UK, Germany, France, the Netherlands, Austria and Switzerland in terms of user-friendliness, product range and presentation and service. Greater attention will also be paid to integrating online activities with bricks and mortar retail to offer consumers a seamless and convenient shopping experience.

WHOLESALE STILL A VITAL DISTRIBUTION CHANNEL

The acquisition of space from retail partners, ongoing consolidation trends and only minor space expansion are limiting the growth potential in the wholesale business. Nonetheless, with the customer relationships in the premium and luxury apparel segment that have been established for decades and its brand power, the Group is confident of offering its partners a convincing product range, the highest levels of service in the industry and excellent delivery reliability in future as well, thereby allowing it to gain market share.

LEVERAGING GLOBAL GROWTH POTENTIAL

GLOBAL BRAND RECOGNITION OFFERS GROWTH POTENTIAL

The appeal of its brands has brought HUGO BOSS a high level of global recognition. In all of its markets, HUGO BOSS stands for attractive European design, superior quality and appealing value for money. The Company feels it has excellent opportunities of commercializing this brand perception even more comprehensively than in the past in the coming years and of further increasing its penetration, particularly on the markets in which its presence is still relatively low. The share of sales generated outside Europe is therefore expected to steadily increase in the next few years.

EUROPE TO REMAIN CORE REGION FOR HUGO BOSS

Nonetheless, Europe will remain the Company's biggest sales market in future as well. HUGO BOSS can continue to count on its strong portfolio of wholesale partners and the appeal that its brands enjoy in this distribution channel. Its own retail operations will play an increasingly significant role. On many markets HUGO BOSS supplements its presence with its wholesale partners with its own stores, thereby elevating the value perception of its brands. In addition, last year the Group increasingly began actively managing wholesale spaces. As a result HUGO BOSS largely escaped the difficult market environment in Southern Europe in particular. In addition to expanding its market position in its traditional core markets such as Germany, the UK, France and the Benelux region, the Group also has attractive growth prospects in Eastern Europe. In future, the Company will control its distribution on this market to a greater degree.

GOOD GROWTH OPPORTUNITIES IN THE AMERICAS

HUGO BOSS is enjoying strong momentum on the American market. This is above all due to a positive perception of its brands defined by a European lifestyle. Along with modern design, HUGO BOSS is ascribed high dependability in terms of fit and quality and an attractive value proposition. HUGO BOSS aims at increasingly leveraging this strength in the currently underrepresented portions of its portfolio, such as the HUGO brand or womenswear. In the wholesale business, HUGO BOSS is focusing on partnerships with retailers in the high-end market segment. Here, optimization of brand presentation both in category business and also increasingly in shop-in-shop formats is a major growth driver. In the Group's own retail activities it is focusing on selective new store openings in Latin America in particular and on improving the shopping experience.

INVESTMENT IN FURTHER GROWTH IN ASIA/PACIFIC REGION

HUGO BOSS attaches a great deal of importance to improving its market position in the Asia/Pacific region. A steadily expanding middle class and the associated rise in purchasing power for premium and luxury goods in China in particular is offering HUGO BOSS substantial sales potential. The Company has therefore invested in its brand perception in particular in the past year. For example, the biggest fashion show that HUGO BOSS has ever staged in Asia took place in Beijing. At the same time, actor Chow Yun-Fat was secured as a brand ambassador. In 2013, the Company will follow this up with a fashion show in Shanghai. Special attention is also being paid to strengthening the retail network. In particular, the quality of brand presence will be raised further by the opening of flagship stores in major cities such as Shanghai or Hong Kong and the renovation of existing stores.

IMPROVEMENT OF OPERATIONAL PROCESSES

OPERATIONAL STRENGTH GIVES RISE TO COMMERCIAL SUCCESS

Strong operational processes enable HUGO BOSS to develop, source, produce and deliver high-quality products in large numbers efficiently, quickly and to an industry standard. This gives HUGO BOSS the chance to stand out from its competitors with appealing value for money and high delivery reliability. In 2013 the Company will also focus on optimizing its operational processes in line with the requirements of its own retail business.

VERTICALLY INTEGRATED ORGANIZATIONAL STRUCTURE ENSURES DESIGN AND PRODUCT EXCELLENCE

HUGO BOSS has optimized its organizational structure in the past year to link the product design and development process even more closely with industrial manufacturing and sourcing. To this end, the strict brand organization was replaced by a structure oriented towards the categories of clothing, sportswear, womenswear and shoes and accessories. The close interaction of all responsible parties into product development improves product quality, promotes development speed and generates synergy effects in development and sourcing.

OWN PRODUCTION ACTIVITIES SECURE CRUCIAL EXPERTISE

HUGO BOSS still produces a significant share of its product offering in classical clothing itself. Using its own production sites guarantees the Company crucial expertise and allows development activities to be systematically geared towards subsequent industrial manufacturing. The knowledge gained from own production also enables profitable management of the external supplier network, which ensures a consistently high product quality on the basis of long-standing partnerships. The close and early involvement of suppliers means that production-related considerations are integrated directly into the development process.

HUGO BOSS attaches great importance to a homogeneous and powerful IT structure that effectively supports the operational processes of all functions and creates the necessary transparency for business decisions. Thus, sell-through performance in its own retail activities can be directly controlled via the Group-wide SAP retail platform, facilitating short reaction times for merchandise allocation and discount management. The implementation of a new IT solution is planned for 2013, which will enable a fully integrated view of goods flows in own retail activities and thereby allow planning geared directly to consumer demand.

An efficient logistics infrastructure ensures on-schedule delivery of the correct quantities to distribution partners. In 2013 HUGO BOSS will take further efforts to increase the speed and flexibility of its logistics processes, especially so as to be able to better supply the growing portfolio of its own stores. In this context, the construction of a new flat-packed goods warehouse near the Group's headquarters is a top priority. After completion in 2014, the distribution center will significantly improve the efficiency of essential handling processes as compared to their current status.

EMPLOYEES

The work of the almost 2,800 employees of the HUGO BOSS AG is the basis for the Company's success. Their skills and their passion for fashion can be seen in unmistakable products. The objective of personnel work at the HUGO BOSS Group is to foster team spirit and motivation among the employees in an international environment and to create a working atmosphere in which creativity and perfection can unfold in the best possible way.

CORPORATE MISSION STATEMENT REFLECTS CORPORATE CULTURE

In 2012, a corporate mission statement was devised for the HUGO BOSS Group as part of an international project involving employees from different departments and levels of hierarchy. The mission statement is based on the values of quality, respect, passion, cooperation and innovation – values that define employees' day-to-day interactions and reflect the corporate culture. HR management at HUGO BOSS is geared towards bringing the corporate mission statement to life so that each individual employee can contribute to the Company with his or her skills, commitment and enthusiasm and help the Company to achieve its goals in the long term.

HR STRATEGY SUPPORTS COMPANY GROWTH

One of the objectives of personnel work at HUGO BOSS is to secure suitable employees for the Company, to systematically promote their development and to retain them in the long term. The range of inspiring and challenging activities should ensure that each and every individual makes his or her contribution to the Company's success. In the past year, HR management focused above all on mapping the growing strategic orientation towards the Group's own retail activities in terms of human resources. In light of the advancing internationalization of the business activities, special attention was also paid to designing standardized and transparent processes throughout the Group for personnel selection and development.

NUMBER OF EMPLOYEES INCREASES IN 2012

The number of employees in the HUGO BOSS AG continued to rise in 2012 as well. At the end of fiscal 2012, the average number of people working at HUGO BOSS was 2,740. The workforce therefore grew by 183 people, or 7%, as compared to the previous year (2011: 2,557).

Of the average number of employees 30% (2010: 31 %) were employed in industrial activities and 70% (2010: 69 %) in commercial and administrative activities.

PROFESSIONAL EDUCATION HAS A FIRM PLACE IN THE COMPANY

Professional education is a key component of ensuring the skills of future employees at HUGO BOSS. Industrial/technical and commercial apprenticeships as well as Cooperative State University courses play a key part in selectively meeting skills requirements and offer graduates attractive entry opportunities. Students at the Cooperative State Universities are introduced to working in an international context during their education. Thus, HUGO BOSS gives all such students the opportunity to gather inter-cultural experience at an international Group company while working abroad. The number of apprentices and Cooperative State University students climbed in the past year to a total of 90 (up 12%). A further increase is planned for 2013. 18 apprentices and Cooperative State University students successfully completed their training in 2012. At the same time, 37 new apprentices and students joined the Group.

HUGO BOSS TARGETS TALENT AT AN EARLY STAGE

HUGO BOSS pursues the goal to clearly position itself on the market as an interesting and attractive employer for young people. In order to discover young talent at an early stage and to gain it for the Company, the Company works closely with national and international colleges and universities. HUGO BOSS maintains close contact with students with a variety of company presentations and tours at its headquarters in Metzingen, regular lectures by employees from different departments at the colleges and universities themselves and by organizing competitions for potential future employees. The Company regularly takes advantage of these contacts when recruiting new staff.

INTERNSHIPS TO SET FOOT INTO THE COMPANY

As a “Fair Company” (an initiative by the careers magazine “Junge Karriere” headed up by the newspaper Handelsblatt and the magazine WirtschaftsWoche), HUGO BOSS AG offers internships primarily alongside the interns’ studies to provide professional orientation and pays the interns an adequate expense allowance. In total, HUGO BOSS offered around 300 interns the chance to gain practical experience in virtually all the Company’s departments in 2012. After their internship, selected interns can round off their studies by writing a thesis in the Company. Nearly 35 such theses were supervised at HUGO BOSS in 2012. An alumni program makes it possible for very good interns to maintain ties with HUGO BOSS after their time with the Company, continuing their development to secure them as qualified employees at a later date.

INCREASING EMPLOYER ATTRACTIVENESS

The success of personnel marketing activities and intern supervision in the past year is reflected, for instance, in the fact that the Company has risen in various rankings of Germany’s most popular employers. In addition, HUGO BOSS received the "Award TOP Praktikum 2012" for the first time by Clevis GmbH. This award is bestowed for an intern program of special quality and a commitment to providing training and qualifications for potential future employees.

INDIVIDUAL PERSONNEL DEVELOPMENT ENHANCES PERFORMANCE OF THE ORGANIZATION

HUGO BOSS strives to improve the knowledge and skills of its employees at all times by providing systematic personnel training and development based on a transparent skills model. This enhances not only the performance of the organization as a whole but also the individual employee’s motivation and self-confidence.

Targeted measures help employees to improve their performance in their day-to-day work and to extend their knowledge beyond the requirements of their current position. In addition to a variety of classroom training options, online training is also increasingly being offered for the Group's own retail activities in particular. Offered in different language options, they enable high levels of standardization in training employees around the world.

In addition, personnel development can be supported on a case-by-case basis by transferring to different departments or functions, both within the Group's headquarters or at an international subsidiary, helping employees to expand their own sphere of activities or to rise to management positions. The career of each manager is guided by targeted consulting and by constantly promoting personal, methodical, technical and management skills and methodologies.

In addition to management careers, so-called specialist careers were also developed in the past year. Especially talented and dedicated employees are thereby given the opportunity to further develop their knowledge along a specialist career pathway through clearly defined development stages. Both specialists and management careers should thus assist employees in their long-term professional and personal development at HUGO BOSS, both within their own division and across other divisions.

To evaluate the performance, skills and development potential of each individual and document this transparently, all supervisors conduct feedback discussions on an annual basis. In these discussions, the tasks and personal goals for the coming year are set out and the training requirements for achieving the employee's individual goals are defined.

EMPLOYEE PAY BASED ON A TRANSPARENT REMUNERATION SYSTEM

In the HUGO BOSS Company, compensation is designed so that individual performance is rewarded fairly and transparently, promoting a culture of motivation and commitment. Clearly documented job descriptions and evaluations are used as a basis for compensation. The compensation of employees in Germany covered by a collective agreement is based on the collective agreement of the Südwestdeutsche Bekleidungsindustrie (Southwest German Textile Industry). The compensation of staff employed in retail is based on the German retail collective agreement. Employees working in retail and sales are entitled to a fixed salary and variable compensation linked to quantitative targets. For example, the compensation of employees in directly operated stores may be linked to service standards defined uniformly for the entire Group and to guidelines for retail operations. Joint incentives are also created for the employees at individual stores for achieving specific retail targets. Employees who are not covered by a collective agreement receive — in addition to their basis salary — a bonus linked to both corporate targets and qualitative and quantitative personal targets. Thanks to the introduction of a fixed employer contribution and the improved subsidization of employee contributions effective at the beginning of 2013, the attractiveness of the corporate pension scheme was also increased in the past year.

In addition to the contractually stipulated salary components, employees are also entitled to a travel allowance, employee discounts on HUGO BOSS products and a variety of arts and cultural events in the context of the Group's sponsorship activities. Furthermore, all employees at the Group's headquarters can exercise at the in-house fitness studio all year long and free of charge.

RESEARCH AND DEVELOPMENT

RESEARCH AND DEVELOPMENT A KEY ELEMENT IN CREATING COLLECTIONS

HUGO BOSS sees research and development (R&D) as a key element in the process of creating a collection, which means implementing a creative idea as a commercially viable product. The starting point in this process is the systematic identification of fashion trends, analyzing market and sales data and assessing consumer feedback to be able to judge customer needs as well as possible. In the product development process in the narrower sense, innovation is mainly expressed as the use of new types of materials, innovative designs and crafting techniques that enhance both quality and efficiency.

INNOVATION MEETS CONSISTENCY AT HUGO BOSS

As a company that has successfully positioned itself in the premium and luxury segment of the global fashion market, it is of the utmost importance for HUGO BOSS to present customers with fashionable, innovative products each season and therefore to keep offering new incentives to buy. On the other hand, the customer also expects HUGO BOSS products to maintain the same high quality, a guaranteed perfect fit and an unmistakable design signature in every collection. Development work at HUGO BOSS therefore focuses on meeting the standards for quality, a perfect fit, consistent brand management and also for excellent and innovative design.

CLOSE INTERACTION BETWEEN CREATIVE DEPARTMENT AND TECHNICAL DEVELOPMENT

The research and development process is at the start of the value chain and therefore plays a decisive role in the subsequent success of the collection.

In the first stage of collection preparation, creative management defines the collection statement, plans the color, theme, shape and fabric concepts, and sets target prices. This takes into account the information from analyzing the current season. In searching for new ideas, the creative teams also take inspiration from impressions gathered from fields such as architecture, design and art, as well as from new technologies and social and economic developments. To a limited extent, in this first stage of product development, the design teams also cooperate with external consultants such as trend scouts to identify fashion trends even earlier on.

In the second stage, the Creative department hands over its sketches to the Pattern Design department, where the implementation of the creative ideas is checked from a tailoring perspective. The models are then developed as prototypes in technical development. The prototypes undergo extensive testing which, among other things, provides information on the materials' physical properties needed for subsequent series production.

After the prototyping phase comes sampling, the production of a sample collection and its presentation and sale to international wholesale customers. Afterwards the ordered pieces are produced and sold to the consumers, either through a wholesale partner or the Group's own retail operations.

PRODUCT DEVELOPMENT PROCESS AT HUGO BOSS

RESEARCH AND DEVELOPMENT			SOURCING AND PRODUCTION
Design	Pattern design	Technical product development	

VIRTUALIZATION TO FURTHER SIMPLIFY DEVELOPMENT PROCESS

To further simplify and speed up technical development, the Company is working on a project to facilitate computer-based, virtual development of selected product categories. The virtual prototypes can be flexibly discussed and adjusted directly on a PC, not just with the internal contacts involved in the process but with suppliers around the world as well. The close cooperation between the development teams and the suppliers means that the products cannot only be developed more quickly and to higher quality, but also at a lower cost due to the reduced need for physical prototypes. In 2013 the technology should be firmly established in the development process and be used in the shirts, suits, dresses and shoes product categories in particular.

OPTIMIZED ORGANIZATIONAL STRUCTURE CREATES A CONSISTENT DEVELOPMENT PROCESS

HUGO BOSS has optimized its organizational structure in the past year to more closely coordinate the various stages in product design, product development and the sourcing process. As part of the realignment, brand and creative management were organized based on the categories of clothing, sportswear, womenswear and shoes and accessories. Adjusting the organizational logic in this way also allows for a direct connection between the creative departments, the product divisions responsible for model and technical development and sourcing and production activities. This guarantees more direct communication between all parties involved in product development and efficiency improvements in terms of quality, speed and costs.

DEVELOPMENT WORK DISTRIBUTED ACROSS FOUR LOCATIONS

Innovation and development work at HUGO BOSS is organized at the four development centers in Metzingen (Germany), Coldrerio (Switzerland), Morrovalle (Italy) and Scandicci (Italy). At the Group’s headquarters in Metzingen, the Company uses its many years of experience in industrial textile production to develop pioneering products in the core area of classic menswear and womenswear as well as in sportswear. The center of competence in Coldrerio (Switzerland) is responsible for both the development of the shirts, ties and knitwear textile product groups and the general supervision of shoes, leather accessories and bodywear. Work at the Italian locations in Morrovalle and Scandicci focuses on the development of shoes and leather accessories.

QUALITY ASSURANCE BEGINS IN THE PRODUCT CREATION PHASE

Consumers expect the highest quality from HUGO BOSS products. The development phase is vital in ensuring this. Close cooperation from an early stage between the brand and creative departments, the pattern designers and the technical developers is essential. At the development center in Metzingen, the pattern designers, who draw the product cuts, and the product developers, who implement them technically and commercially, work together in a very early phase of product creation. Thus, they have the opportunity to identify not just potential for improvement but also shortcomings in the designs at an early stage, allowing for them to be counteracted before production begins. Product development at HUGO BOSS is also characterized by intensive cooperation between the internal creative and development teams on the one hand and the external suppliers and technology partners on the other. This not only ensures a smooth downstream production process, but also guarantees HUGO BOSS a competitive edge in manufacturing technology and product quality.

SOURCING AND PRODUCTION

MAJORITY OF PRODUCTION BY INDEPENDENT SUPPLIERS

As a company that manufactures and operates internationally, standardized, system-aided and well-coordinated sourcing and production processes are a key factor in the success of HUGO BOSS. Around 20% (2011: 21%) of the full product line is produced in HUGO BOSS' own factories and around 80% (2011: 79%) is manufactured by independent suppliers in commissioned production or purchased as merchandise. Self-producing a significant portion of its traditional clothing product range allows the Company to gain considerable expertise and optimizes quality and product availability.

The Company's own production sites are in Izmir (Turkey), the largest self-owned facility, Cleveland (USA), Metzingen (Germany), Radom (Poland) and Morrovalle (Italy). The factory in Izmir mainly produces suits, trousers, jackets, shirts and womenswear clothing. At the factory in Cleveland HUGO BOSS manufactures suits for the American market. In Metzingen, the focus is on small-series production of suits, jackets and trousers. In addition, the facility manufactures prototypes, sample pieces and individual orders. In particular, this is where HUGO BOSS creates its Made to Measure suits. Production in Radom and Morrovalle focuses on shoes.

STRATEGIC MANAGEMENT OF THE SUPPLIER NETWORK A FACTOR FOR SUCCESS

By covering a broad product range in the fields of apparel and accessories in the premium and luxury segment, HUGO BOSS utilizes a stable and sufficiently large network of specialized suppliers. In the past year, HUGO BOSS continued to work with around 320 suppliers for contract manufacturing and merchandise (2011: 320). The higher sourcing requirements due to increased demand were covered by optimized capacity utilization with the supplier network already in place in the past fiscal year. The sourcing volume is distributed across a global network of suppliers so as to diversify risk and make the Company as independent of individual sourcing locations and manufacturing companies as possible. As such, the largest independent manufacturer of merchandise accounted for only around 8% of the total sourcing volume of the HUGO BOSS Group (2011: 8%).

FORMS OF SOURCING VARY ACCORDING TO PRODUCT GROUPS

Sourcing activities are broken down by raw material sourcing, contract manufacturing and purchase of merchandise. The sourcing of raw materials includes mainly fabrics but also elements such as linings, buttons, thread and zippers. The majority of raw materials used in own production and in contract manufacturing is sourced in Europe. Fabrics are predominantly purchased from long standing suppliers in Italy.

Contract manufacturing is primarily used for the production of suits, jackets and trousers. In these product groups, HUGO BOSS mainly works with companies in Eastern Europe. For products created in contract manufacturing, the supplier receives the fabrics and other components to be used as well as the patterns. By contrast, sourcing for sportswear is largely based on purchased merchandise. With this type of sourcing, suppliers are usually provided with the necessary patterns by HUGO BOSS but source the raw materials themselves. Sportswear merchandise is primarily sourced from Asia and Eastern Europe. With the exception of the classic shoe collection, which is produced at the Company's own plants in Italy and Poland, the shoe and leather accessory product categories are primarily sourced from partners in Asia and Europe.

SHARE OF SOURCING IN EASTERN EUROPE RISING

Measured in terms of their value, more than half (52%, 2011: 50%) of all HUGO BOSS products (goods produced in its own factories, goods sourced in commissioned production and merchandise) are produced in Eastern Europe and Turkey. The Group's own factory in Turkey plays an important role in this context, accounting for 15% of the sourcing value in total (2011: 16%). 31% of all products come from Asia (2011: 30%). In this region China is still the most important single sourcing country. The rest of the goods come from Western Europe (10%, 2011: 11%), North Africa (4%, 2011: 6%) and America (3%, 2011: 3%).

OBJECTIVE CRITERIA AS BASIS FOR SELECTING SUPPLIERS

Suppliers are chosen based on clearly defined technical production criteria. The most important criterion is compliance with the high quality and workmanship requirements. In addition, the financial strength, cost structure, productivity, existing technical standards and innovation of suppliers are also taken into account in the selection process. Strict compliance with social and environmental standards in accordance with the Conventions of the International Labour Organization (ILO) and the United Nations' Universal Declaration of Human Rights at production facilities is an essential requirement for commencing a business relationship.

CLOSE SUPPLIER RELATIONSHIPS ARE STRATEGICALLY IMPORTANT

HUGO BOSS has a strong interest in a long-term cooperation with its suppliers. The joint development of production expertise ensures the high quality for which HUGO BOSS products are famous around the world. Close coordination between the manufacturing companies and the technical development department is essential, particularly in light of the shortened lead time. For instance, technical production considerations are integrated into the product development process at a very early stage. The suppliers' feedback on the fabrics and patterns used in past collections is likewise taken into account in developing new designs.

COMPLEXITY REDUCTION RAISES EFFICIENCY IN SOURCING

Constant efficiency improvements in cooperation with the suppliers are required to effectively counteract cost increases in sourcing processes, especially due to higher labor costs. A key lever here is ensuring optimal capacity utilization at suppliers with the highest possible lot sizes. The core range and the reduction in collection complexity entailed by its launch play a key role in this regard. Thus, the complexity of collections has been reduced by a third in recent years and by 7% year-on-year in the past year. Furthermore, the four-collection cycle introduced last year helps to even out sourcing activities from season to season, thereby optimizing capacity utilization at suppliers.

In addition, the Group is continuing to work on optimizing its planning and sourcing processes so as to reserve production capacity for the required volumes at an early stage and at low cost. To this end, the electronic connection between the suppliers and the Company has extended further in the past few years to enhance transparency across supply chain.

QUALITY MANAGEMENT COVERS ENTIRE PRODUCTION PROCESS

HUGO BOSS places the highest demands on the quality of its products. In order to satisfy these, quality management begins right where the product is created – at the suppliers themselves. For instance, the manufacturing companies are provided with standardized quality and processing manuals that document requirements. The most important processes relevant to quality at HUGO BOSS' own factories are also described in a process manual and are constantly optimized and subject to ISO 9001 certification.

To meet the high quality standards, the manufacturing process is automated where economically feasible so as to minimize manufacturing tolerance. Compliance with manufacturing standards is also ensured through fixed controls that are always carried out at certain process steps in the production line. Furthermore, random checks of individual process steps are performed on a regular basis. The extensive hardware and software support for the inspection processes allows for a high degree of standardization and electronic analysis of the results.

SUSTAINABILITY

As an international company, HUGO BOSS is aware of its particular responsibility towards society, employees and the environment. Corporate responsibility, understood as a business sustainability principle, comprises precisely these economic, social and ecological aspects of responsible business management and seeks a dialog with different stakeholders.

The Company is meeting the wide range of challenges this entails. Not only in terms of social commitment but also in production and quality processes, in the treatment of employees and in relation to environmental issues, it is important to implement the concept of excellence operationally and take it into account in strategic decisions.

PRODUCTION AND QUALITY

COMPLIANCE WITH INTERNATIONAL SOCIAL STANDARDS

As defined in the Code of Conduct, HUGO BOSS pledges itself and its suppliers to compliance with internationally recognized minimum labor and social law standards under the conventions of the International Labor Organization (ILO) and the Universal Declaration of Human Rights of the United Nations.

The resulting social standards are a fixed component of the contractual regulations with all suppliers and a prerequisite for accepting new business partners. The following aspects are regulated in the social standards: compliance with national laws, prohibition of child labor, prohibition of forced labor, maximum working hours, humane working conditions, prohibition of discrimination, payment of adequate wages, healthy and safe working conditions, entitlement to freedom of association and collective bargaining, and responsible handling of environmental issues.

If there is no sufficient national legislation defining matters such as working times and adequate wages, HUGO BOSS' social standards constitute the minimum standard.

REGULAR EXAMINATION OF COMPLIANCE WITH SOCIAL STANDARDS

Contract manufacturers and merchandise suppliers that generate a relevant level of sales with HUGO BOSS are monitored in regular social compliance audits that are performed globally, both with the auditors and also in cooperation with experienced external service providers. The audits firstly ensure compliance with the social standards and secondly support HUGO BOSS suppliers in developing their social management.

Before entering into a permanent business relationship with HUGO BOSS, new suppliers are always audited with regard to social standards. This allows for a sustainable and socially responsible cooperation between the HUGO BOSS Group and the suppliers that is to be constantly expanded.

The audit results are also included in the semi-annual supplier appraisal. If infringements of the social standards and statutory provisions are identified, the audit frequency is increased depending on the seriousness of the infringement and a binding plan of measures with renewed implementation control is agreed together with the suppliers. In exceptional cases, for example repeated warnings without any initiated improvements or serious infringements of the social standards, HUGO BOSS retains the right to terminate the cooperation.

NO USE OF SANDBLASTING

HUGO BOSS also attaches a great deal of importance to avoiding health risks in the manufacturing companies. In this context, the Group refrains from using sandblasting. Sandblasting refers to the use of sand jets as a refining method for denim products to achieve a "used" effect. If this method is carried out using quartz sand without sufficient protective measures, these can lead to serious damage to the employees' health.

HUGO BOSS does not use blasting technology. As such, it is not only blasting agents containing quartz that HUGO BOSS avoids, but also alternative blasting agents.

TARGETED PRODUCT SAFETY REQUIREMENTS

As a leading company in the global high-end fashion industry, it is a matter of course for HUGO BOSS to meet its responsibilities towards the consumers. HUGO BOSS products must not pose health risks. For this reason, the Company requires each supplier to sign a written guarantee confirming its compliance with the Restricted Substances List (RSL). The RSL includes stipulations that ensure that the materials used comply with national legislation and the Group's internal guidelines, which often go beyond the statutory minimum requirements, and that they are not harmful to health in either the production process (e.g. due to emissions) or when used. HUGO BOSS supports this prevention with active pollutant tests that are conducted in accredited laboratories and permanently ensure the safety and quality of the products.

EMPLOYEES

SUPPORT FOR WORK-LIFE BALANCE THROUGH FAMILY SUPPORT, SPORT AND NUTRITION

Since 2008 the Company has been part of the Germany-wide "Erfolgsfaktor Familie" (Success Factor Family) network and offers a flexible family support model. This is primarily designed to make it easier to return to work after parental leave or maternity leave. For employees at the Group headquarters in Metzingen, there are specially reserved places in two daycare centers or the option to receive financial support for an alternative form of childcare. More than 130 couples with children currently benefit from these offers.

With regard to nutrition at the workplace, HUGO BOSS makes an important contribution as an employer to its employees' health. The Company's cafeteria follows a balanced nutrition plan with menus changing daily and offers a wide range of fresh fruit and salad. Furthermore, the employees have the option of being given coaching by a nutritionist.

In addition, all employees at the Group headquarters have the opportunity to train at the Company's fitness studio and to participate in subsidized courses such as back training, aerobics or pilates. Many employees in Metzingen also make use of the soccer field, the beach volleyball field and the HUGO BOSS Run. More than 800 runners took part in this event at the Company's headquarters in 2012.

DIVERSITY AND OPENNESS PUT INTO PRACTICE AT HUGO BOSS

As an international company, HUGO BOSS operates in 129 countries worldwide for customers with a wide range of cultural backgrounds. For HUGO BOSS, diversity means recognition of social diversity and ensuring equal opportunities for all employees in the Company, irrespective of their nationality, gender, religious and political convictions, sexual orientation, age and any disability they may have.

Diversity represents not only an enrichment of the corporate culture but also a clear success factor in international competition. This culture of diversity at HUGO BOSS has already gained the Company several awards from the "Great Place to Work" Institute. HUGO BOSS also emphasized the high priority given to diversity within the Group by joining the UN Diversity Charter in 2008.

ENVIRONMENT

PROMOTING ANIMAL WELFARE AND CONSERVATION

HUGO BOSS respects the conservation of species and therefore supports the preservation of biodiversity. Animal breeding and rearing methods that are not appropriate for the species in question are consequently rejected. Furthermore, for several years HUGO BOSS has been reducing the use of fur products in the collections. These are mostly used for appliqués and trimming on collars, hoods and sleeves.

The Company has also maintained an ongoing exchange with individual animal welfare and consumer organizations for many years. Particularly with regard to mulesing, HUGO BOSS maintains an open dialog and distances itself from this procedure. Mulesing refers to a painful surgical procedure chiefly used in Australia on Merino sheep to protect them from attack by aggressive species of fly. Although more animal friendly alternatives to this procedure do exist, they are currently still in the development stage. The Company has therefore resolved that wherever possible it will restrict its purchases of Merino wool to sources that can prove they do not use the procedure.

CONTINUOUS IMPROVEMENTS IN CLIMATE AND ENVIRONMENTAL PROTECTION

The idea of "eco-efficiency" – defined by the World Business Council for Sustainable Development (WBCSD) as "creating more value with less impact" – represents the foundation for developing and implementing logistics and building concepts at HUGO BOSS. Environmental data such as greenhouse gases, waste and water consumption are collected and analyzed by the Company in accordance with the guidelines of the internationally recognized Global Reporting Initiative (GRI). The results are used as a basis for optimizing the entire value chain with regard to climate and environmental protection.

For instance, in the transportation of goods from the Group's own plant in Izmir, Turkey, and from suppliers in Asia, the Group increasingly used more environmentally friendly sea freight in 2012. In addition, the Group's car fleet was equipped with fuel-efficient vehicles and the distances traveled were reduced.

By integrating environmental considerations in the design and management of the Company's own production facilities and office buildings, the energy efficiency of the Company (not including the Group-wide retail organizations) has been continuously improved over the past years. CO_2 emissions (as defined by GRI Scope 1 and 2) decreased by 16% to 19,666 tonnes of CO_2 in 2011 (2010: 23,398 tonnes) and were reduced by another 3% to 19,024 tonnes in the past year. In addition, HUGO BOSS AG in Germany and the Swiss location in Tessin, for example, use certified environmentally friendly electricity obtained entirely from ecological energy sources.

The use of renewable energy and sustainable building concepts is incorporated as a matter of course in planning and implementing current building projects such as the new distribution center in Filderstadt-Bonladen near Stuttgart and the new office building on the HUGO BOSS Campus in Metzingen, which is also under construction.

To develop energy management efforts further in a structured way, HUGO BOSS AG introduced ISO certification 50001 at the end of 2012. This will enable the Company to achieve the targets for more efficient use of energy, to measure the results and to optimize energy management in a continuous process.

The majority of the Company's water consumption is for sanitation purposes. It is also caused to a lesser extent by own production. As a result of measures initiated by the Company to lower water consumption, this has been reduced considerably over the past two years.

SOCIAL COMMITMENT

UNICEF and HUGO BOSS are united by a longtime partnership. The Company has successfully supported UNICEF's "Schools for Africa" initiative for many years.

Furthermore, the Company gets involved in times of crisis when rapid assistance is required. HUGO BOSS also works for children and young people at a national level and since 2011 has been a permanent partner in the Off Road Kids foundation, a nationwide charity for street children in Germany.

In addition, HUGO BOSS and the employees at the headquarters are closely associated with the Metzingen location. Together with the Works Council, they have donated cash and goods in support of over 100 non-profit regional projects and medical, social and charitable institutions. For example, for many years there have been close ties with the Tübingen children's cancer ward and the Red Cross.

GENERAL ECONOMIC CONDITIONS

GENERAL ECONOMIC SITUATION

After the first months of 2012 indicated an improving global performance, the development of the economy slowed down considerably over the course of the year. This downturn in the economic situation was perceived not just in the euro zone, but in the United States and China as well. As a result, the general economic conditions for HUGO BOSS deteriorated year-on-year in the past year.

Last year, the **euro zone** suffered from a slight decline in economic activity. The reasons for this included the ongoing political and economic uncertainty surrounding the debt crisis. In particular, the peripheral nations of the euro zone, where high debt levels and rising unemployment reign, were hit by a sharp drop in economic activity over the course of the year. Weak investment activity, falling private consumer spending in many areas and diminishing demand for exports also increasingly muted the economic performance of the core euro zone countries. As a result, Germany also saw a dip in growth in the second half of the year, though it still outperformed the region as a whole thanks to comparatively robust investment and export activity by companies and stable private consumer spending.

The **American economy** posted moderate growth in the past year. In spite of record highs in unemployment, private spending proved robust over the year. However, companies were more cautious in their investment activities in light of the lingering fiscal and political uncertainty. In spite of various examples of monetary and fiscal policy support, the economy was affected by the mixed performance on the real estate market and the drop in export demand due to the global economic slowdown. Economic momentum also decreased in **Latin America** owing to slower growth in exports and reduced investment activity. The slowdown was particularly evident in Brazil, while Chile, Colombia and Peru in particular developed positively.

There was a further moderation in economic growth in **Asia** in the past year. Factors contributing to this included weaker export activity and, in China in particular, falling domestic demand. Growth in China was curbed by the measures taken in recent years to combat inflation and to restrain surging prices on the real estate market. However, there were the first signs of recovery again towards the end of the year, seemingly indicating that the Chinese economy could have overcome its temporary weakness. Moreover, the slight economic improvement is also due to last year’s change in government and the hope for comprehensive economic reforms. The economic situation in Japan and Australia grew dimmer as the year progressed, partly on account of weak consumer demand, strong local currencies and diminishing exports.

SECTOR PERFORMANCE

The positive trend in the global premium and luxury goods industry continued in the past year despite difficult general economic conditions and a weak consumer environment. After adjustment for currency effects, the industry posted growth of 5% overall — less than in the previous year but significantly higher than the growth rates for the economy as a whole.

In particular, own retail activities were again a growth driver, while the wholesale environment proved to be increasingly challenging. Strong growth rates were also posted in the online business.

Consumer confidence dwindled visibly in **Europe** on account of the escalating concern over the future of the euro zone. However, the strong development of Eastern European markets and a sound performance in Western Europe largely compensated for weaker growth in Southern Europe. In the metropolitan regions of Western and Southern Europe especially, demand from tourists, particularly from Asia, supported market growth. The industry continued to expand in **America**, building on continuing positive consumer sentiment in the relevant market segment. This growth was supported by a stable performance at U.S. department stores and consistently strong consumer demand in South America. Growth slowed down in **Asia** over the course of the year on account of rising consumer uncertainty, especially in China. Concern over the country's future political outlook and the general decline in economic growth caused a slowdown in momentum within the industry here. Nonetheless, the region enjoyed strong growth rates as compared to the overall sector and benefited from the positive trends in disposable income, which is allowing a steadily larger number of consumers to purchase premium and luxury goods.

SALES AND RESULTS OF OPERATIONS

The parent company HUGO BOSS AG performs various different functions within the HUGO BOSS Group. Firstly, HUGO BOSS AG is responsible for all distribution channels in the German and Austrian markets. The collection focus and development for the main product groups of all brands is also based at the Group's headquarters in Metzingen. Other responsibilities bundled at the Group's headquarters include retail management, sourcing, logistics, IT, human resources management, financial management including corporate financing and risk management. Furthermore, in addition to internal communications, HUGO BOSS AG is responsible in particular for external communications, including capital market reporting.

As part of the superordinate Group functions, the parent company of the Group – represented by the members of its Managing Board – is responsible for the Group's orientation and therefore determines the corporate strategy.

In addition to operating business, the development of HUGO BOSS AG's earnings is influenced in particular by the management of the central functions. The main items here are the costs for services performed that are charged to the Group companies and the income from investments resulting from HUGO BOSS AG's holding function.

Sales at HUGO BOSS AG comprise sales with third-party wholesale partners and the Group's internal sales with foreign subsidiaries.

SALES PERFORMANCE

Sales at HUGO BOSS AG increased by approximately 12% to EUR 1,093 million in fiscal year 2012 (2011: EUR 972 million). This development is in particular due to the increase in sales with third parties and the rising share of sales generated in the Group's own retail business at the subsidiaries. The regional sales performance with subsidiaries and external trading partners is shown below:

REGIONAL SALES PERFORMANCE (in EUR million)
With subsidiaries and external trading partners

In **Europe** including the Middle East/Africa, sales with subsidiaries of HUGO BOSS AG climbed by a total of 5% to EUR 400 million in fiscal year 2012 (2011: EUR 381 million). Sales with third parties amounted to EUR 420 million (2011: EUR 363 million).

Sales outside Germany and Austria were generated with subsidiaries.

In the **Americas,** sales of HUGO BOSS AG improved by 27% to EUR 174 million (2011: EUR 137 million). HUGO BOSS AG recorded a 9% sales increase in **Asia**, where sales amounted to EUR 99 million (2011: EUR 91 million).

Sales by brand also developed positively in the past fiscal year. The BOSS brand's sales increased by 12% as against the previous year to EUR 974 million (2011: EUR 868 million). The HUGO brand recorded a sales increase of 15% to EUR 120 million in fiscal 2012 (2011: EUR 104 million).

EARNINGS PERFORMANCE

(in EUR million)

	2012	in % of net sales	2011	in % of net sales	Deviation in %
Net Sales	1,093.4	100.0	972.2	100.0	12
Cost of Sales	(731.1)	(66.9)	(654.7)	(67.3)	(12)
Gross profit	**362.3**	**33.1**	**317.4**	**32.7**	**14**
Distribution Costs	(239.6)	(21.9)	(225.6)	(23.2)	(6)
General administrative expenses	(82.4)	(7.5)	(76.2)	(7.8)	(8)
Other operating income [1]	126.3	11.6	103.8	10.7	22
Other operating expenses	(67.4)	(6.2)	(63.1)	(6.5)	(7)
Operating profit	**99.1**	**9.1**	**56.4**	**5.8**	**76**
Income from investments in affiliated companies	250.8	22.9	78.4	8.1	>100
Net interest income [1]	(13.3)	(1.2)	(7.5)	(0.8)	(78)
Income from ordinary activities	**336.6**	**30.8**	**127.3**	**13.1**	**>100**
Taxes on income and other taxes	(49.4)	(4.5)	(39.0)	(4.0)	(27)
Net income	**288.2**	**26.4**	**88.3**	**9.1**	**>100**
Transfer (to) / from other revenue reserves	(75.2)	6.6	111.9	11.5	>100
Accumulated income previous year	4.0	0.4	2.8	0.3	42
Unappropriated income	**219.7**	**20.1**	**203.1**	**20.9**	**8**

[1] previous year figures were adjusted

The **gross profit on sales** increased by 14% year-on-year to EUR 362 million (2011: EUR 317 million). The gross profit margin climbed to 33.1% from 32.7% in the previous year. The change is mainly due to a higher price level on the sales market and positive exchange rate effects. This was countered by higher depreciation of inventories of finished goods and raw materials due to reduced saleability.

Selling expenses rose by 6% to EUR 240 million in the fiscal year (2011: EUR 226 million). This increase is mainly attributable to higher logistics and sourcing expenses. In addition, higher trade marketing costs were incurred in the past fiscal year due to the expansion of the international store network.

General administrative costs, which mainly consisted of personnel expenses, rent for premises, leasing costs, depreciation and amortization and various IT expenses, also increased by 8% to EUR 82 million (2011: EUR 76 million). The main reason for this increase was higher personnel expenses due to an increase in the number of employees, particularly in the central functions IT and Human Resources. Pension costs also increased as against the previous year.

Other operating expenses, chiefly consisting of write-downs on receivables, foreign currency effects and research and development costs, climbed by 7% year-on-year to EUR 67 million (2011: EUR 63 million). This increase was largely due to the higher personnel expenses incurred in creating the collections. The change to four collections as part of the D.R.I.V.E. project led to an increase in research and development costs.

The increase in other operating expenses was offset by a 22% rise in **other operating income**, which totaled EUR 126 million (2011: EUR 104 million). Other operating income mainly consists of costs and services passed on to affiliated companies. There were particularly significant year-on-year increases in income from passing on trade marketing costs to the foreign subsidiaries and from passing on IT costs.

The **operating profit** improved from EUR 56 million in the previous year to EUR 99 million as a result of the positive sales performance and the improvement in gross profit. This was partly offset by operating expenses at the previous year's level.

Income from investments primarily relates to the net income of HUGO BOSS Trade Mark Management GmbH & Co. KG in the amount of EUR 97 million (2011: EUR 80 million), which is credited to the loan account of the limited partner HB AG in line with the provisions of the partnership agreement and removed.

Income from transferred profits relates to income from profit transfer agreements with subsidiaries of HUGO BOSS AG. This amounted to EUR 153 million in fiscal 2012 (2011: EUR 0 million). The increase resulted from the profit transferred from HUGO BOSS Internationale Beteiligungs-GmbH, which received dividend income from HUGO BOSS Holding Netherlands B.V. in fiscal 2012.

There were no **expenses from transferred losses** in the past fiscal year. In the previous year, this item included expenses from the losses transferred from HUGO BOSS Internationale Beteiligungs-GmbH and from HUGO BOSS Beteiligungsgesellschaft mbH in the amount of EUR 1 million.

Net interest expenses (other interest and similar income less interest and similar expenses) amounted to EUR 13 million in fiscal year 2012 (2011: EUR 7 million). The change was due particularly to lower income from the sale of hedges in connection with the "Stock Appreciation Rights Program" for which there were no longer any corresponding underlying transactions. By contrast, interest expense, which chiefly consists of interest expenses with affiliated companies, remained at the previous year's level.

Earnings before taxes amounted to EUR 337 million in fiscal year 2012 (2011: EUR 127 million). The increase in earnings before taxes resulted from the improved operating profit as well as higher income from transferred profits and from investments.

At 14.3%, the **tax rate** was considerably lower than in the previous year (2011: 30.6%). The tax rate was positively influenced by the dividend income included in the transferred profits and by income from a foreign partnership. This was partly offset by aperiodic income taxes and aperiodic withholding taxes in the amount of EUR 3 million (2011: expenses of EUR 4 million). Not including these two effects, there was an adjusted tax rate of 28.0% for the fiscal year (2011: 27.7%).

At EUR 288 million, **net income** therefore increased significantly in fiscal year 2012 as compared to the previous year's level (2011: EUR 88 million).

DIVIDEND PAYOUT AND APPROPRIATION OF PROFITS

HUGO BOSS AG closed fiscal year 2012 with net income of EUR 288 million (2011: EUR 88 million). The unappropriated surplus after transfer to retained earnings was EUR 220 million (2011: EUR 203 million). Given its **profits-based distribution policy**, the Managing Board and the Supervisory Board will recommend the distribution of a **dividend of EUR 3.12 per ordinary share (2011: EUR 2.88 per ordinary share and EUR 2.89 per preferred share)** for fiscal 2012. This corresponds to an amount of EUR 216 million (2011: EUR 199 million). A recommendation will also be made to the Annual Shareholders' Meeting for the dividend amount attributable to treasury shares of EUR 4 million to be carried forward to new account (2011: EUR 4 million).

NET ASSETS AND FINANCIAL POSITION

BALANCE SHEET STRUCTURE AND KEY BALANCE SHEET RATIOS

At the end of fiscal year 2012, **total assets** were down 3% at EUR 906 million (December 31, 2011: EUR 934 million). This change was driven in particular by a decline in inventories and in liquid assets.

The **equity ratio** increased year-on-year to 55% (December 31, 2011: 44%).

The **share of non-current assets** was higher than in the previous year at 73% (December 31, 2011: 70%). The **share of current assets** accordingly decreased from 30% in the previous year to 27% as of December 31, 2012.

The **structure of the assets side** of the HUGO BOSS AG balance sheet is strongly influenced by its holding function for the Group. Financial assets account for 60% of total assets (December 31, 2011: 58%). Financial assets include HUGO BOSS AG's direct equity investments in HUGO BOSS Internationale Beteiligungs-GmbH, which holds the shares in foreign subsidiaries via the second-tier subsidiary HUGO BOSS International B.V., and HUGO BOSS Trade Mark Management GmbH & Co. KG as the holder of the Group's trademark rights. The direct and indirect investments held by HUGO BOSS AG and changes in the fiscal year are listed in the notes on pages XX.

The **structure of the equity and liabilities side** of the balance sheet also changed as against the previous year. The share of liabilities fell to 33% (December 31, 2011: 46%) due to a partial repayment of the intercompany loan with HUGO BOSS International B.V. in the amount of EUR 150 million.

NET ASSETS

Fixed assets rose slightly year-on-year to EUR 666 million (December 31, 2011: EUR 655 million). Investments in land and buildings at the Metzingen location and in expanding the retail network in Germany and Austria by opening seven new locations led to an increase in this item.

As of the end of fiscal year 2012, **inventories** were down 6% at EUR 156 million (December 31, 2011: EUR 166 million). A key driver of this development was the 19% decline in raw materials, consumables and supplies. The value of raw materials, consumables and supplies as of December 31, 2011 was strongly influenced by the higher level of inventories due to the implementation of the new business strategy D.R.I.V.E.. The new business strategy brought about a reduction of collection development cycles, which entailed shorter ordering periods. In some cases, this led to higher inventories of outer fabrics and other components for which there were not yet any direct production orders. As part of the D.R.I.V.E. implementation, inventories of outer fabrics and other components returned to a normal level again in the current fiscal year.

Trade receivables with external wholesale partners climbed by 36% year-on-year to EUR 22 million (December 31, 2011: EUR 16 million). A key driver of this development was the Group-wide D.R.I.V.E. project, which also led to a change in the delivery cycles. Against this backdrop, the delivery volume also increased considerably compared to the same month of the previous year, especially in December. The average days sales outstanding deteriorated slightly as against the previous year.

Receivables from affiliated companies also posted an increase of just under 50% to EUR 31 million (December 31, 2011: EUR 21 million). This development is due to both growth in sales with foreign subsidiaries and an increase resulting from the changed sales structure in Asia.

At EUR 24 million, **other assets** were down 31% on the previous year (December 31, 2011: EUR 34 million). They chiefly consist of bonus claims against suppliers, call options to hedge stock appreciation rights, income tax receivables and sales tax receivables. The decline in other assets was partly due to a decrease in income tax receivables as a result of tax refunds received in fiscal 2012. Another reason for the decline in this item was the sale of options in connection with the "Stock Appreciation Rights Program" for which there were no longer any corresponding underlying transactions.

Cash and cash equivalents, i.e. the sum of cash on hand and bank balances, declined by EUR 33 million to EUR 7 million after EUR 40 million as of December 31, 2011. This decrease is due in particular to the partial repayment of the intercompany loan and the pooling of excess liquidity at HUGO BOSS International B.V.

The equity and liabilities side of the balance sheet was impacted primarily by a decrease in **liabilities**, which fell to EUR 303 million (December 31, 2011: EUR 431 million). This development was mainly attributable to the partial repayment of the intercompany loan with HUGO BOSS International B.V. in the amount of EUR 150 million. This was partly offset by borrowing external loan amounts totaling EUR 17 million, particularly in connection with the construction of the office buildings at the Metzingen location. Trade payables were down 12% at EUR 83 million (December 31, 2011: EUR 94 million) as a result of lower raw materials requirements.

Provisions increased to EUR 102 million (December 31, 2011: EUR 94 million), primarily due to higher tax provisions. As a result of the positive business performance in fiscal 2012, there was an increase in the basis for assessment.

Trade net working capital is HUGO BOSS AG's main key performance indicator for measuring the efficiency of capital employment. The only components included in calculating this indicator are the three operating figures of inventories, trade receivables and trade payables.

Trade net working capital rose by 8% year-on-year to EUR 95 million (December 31, 2011: EUR 88 million), with the decline in inventories partly offsetting the increase in trade receivables and the decrease in trade payables. The lower increase in trade net working capital as compared to sales was due in particular to effective measures to reduce inventories.

FINANCIAL POSITION

(in EUR million)

	2012	2011
Cash flow from operating activities	332	117
Cash flow from investing activities	(50)	(35)
Cash flow from financing activities	(316)	(80)
Change in cash and cash equivalents	**(33)**	**2**
Cash and cash equivalents at the beginning of the period	40	38
Cash and cash equivalents at the end of the period	7	40

At EUR 332 million, **cash flow from operating activities** was considerably higher than the previous year's level (2011: EUR 117 million). This improvement is primarily due to higher net income of EUR 288 million (2011: EUR 88 million). In addition, the change in the collection cycle and the measures initiated to optimize inventories resulted in a cash inflow from net working capital amounting to EUR 7 million. In the previous year, there had been a cash outflow totaling EUR 16 million. Higher inflows of cash from the change in inventories and receivables more than offset the increased cash outflows relating to trade payables and other equity and liabilities items.

With regard to **investing activities**, there was a **cash outflow** of EUR 50 million in fiscal 2012 (2011: cash outflow of EUR 35 million). Higher investments in land and buildings at the Metzingen location and in expanding the retail network came to a total of EUR 39 million (2011: EUR 28 million). A detailed presentation of capital expenditure can be found in the chapter "Capital expenditure".

Free cash flow, calculated on the basis of the cash inflow from operating activities and the cash outflow from investing activities, increased by EUR 200 million to EUR 282 million in fiscal 2012 (2011: EUR 82 million).

The **cash outflow from financing activities** was influenced by the dividend payout in the amount of EUR 199 million. As of December 31, 2012, the cash outflow from financing activities amounted to EUR 316 million (2011: EUR 80 million). The partial repayment of the intercompany loan with HUGO BOSS International B.V. in the amount of EUR 150 million also led to an increased outflow of cash. Borrowing external funds to finance investments in buildings at the Metzingen location led to a cash inflow of EUR 17 million.

Cash and cash equivalents, i.e. the sum of cash on hand and bank balances, declined by EUR 33 million to EUR 7 million after EUR 40 million as of December 31, 2011.

FINANCIAL MANAGEMENT

HUGO BOSS AG has sufficient funds available to finance investments and growth. Its most important source of liquidity is the cash flow from operating activities. Financing takes place primarily via the Group loan with HUGO BOSS International B.V.

The syndicated loan from HUGO BOSS International B.V. provides the HUGO BOSS Group with a total volume of up to EUR 450 million, which is allocated to the individual Group companies depending on the financing requirements. On December 31, 2012, HUGO BOSS AG had an intercompany loan from HUGO BOSS International B.V. in the amount of EUR 50 million (December 31, 2011: EUR 200 million). Owing to the positive development of free cash flow, a partial repayment of the intercompany loan in the amount of EUR 150 million was carried out in the past fiscal year. This loan bears a fixed interest rate. In addition, there are further short-term loans payable to HUGO BOSS International B.V. in the amount of EUR 147 million (December 31, 2011: EUR 96 million). This short-term loan bears interest based on the 1-month EURIBOR plus a fixed margin.

To secure further liquidity, HUGO BOSS AG borrowed external funds in the past fiscal year to finance the building projects at the Metzingen location. These funds have a total volume of EUR 17 million, which is available to HUGO BOSS AG on a long-term basis and at a fixed interest rate.

Loans and credit lines with banks can also be used to cover current liabilities.

As of the reporting date, the Group was holding negotiations for long-term refinancing. HUGO BOSS is aiming for another syndicated loan of EUR 450 million as follow-up financing with a 5 year term and under normal market conditions, to be provided to the Group companies via intercompany loans with matching maturities.

Due to the low external financing volume, the company is dependent on interest rate developments only to a very limited extent. If the other Group companies directly enter into external credit transactions, either HUGO BOSS AG or HUGO BOSS International B.V. submit guarantees or letters of comfort depending on the request.

A more detailed description of the management and hedging of financial risks can be found in the "Risk Report" and in the notes under "Other financial obligations".

CAPITAL EXPENDITURE

Capital expenditure on property, plant and equipment and intangible assets amounted to EUR 39 million in the past fiscal year (2011: EUR 28 million).

The **intangible assets** mainly consist of software. The increase of EUR 12 million (2011: EUR 15 million) was chiefly attributable to capital expenditure on software and rights of use in connection with the continuous enhancement of the ERP system, consisting of the industry solution SAP AFS and SAP Retail for the Group's own retail business.

The increases in **property, plant and equipment** in the amount of EUR 27 million (2011: EUR 13 million) primarily result from land and buildings at the Metzingen location. In addition, the opening of seven new retail locations in Germany and Austria led to further capital expenditure. This included stores opened in Vienna and Salzburg in 2012, while in Germany additional sales space was gained in the north of the country with new outlets in Neumünster and Berlin.

Existing obligations arising from investment projects that have already been started are listed in the notes under "Other financial obligations" and amounted to EUR 8 million as of December 31, 2012 (December 31, 2011: EUR 3 million).

OFF-BALANCE SHEET FINANCING INSTRUMENTS

Off-balance sheet financing instruments are primarily used in the form of property leases at the location in Metzingen, Germany. The resulting financial obligations are disclosed in the notes under "Other financial obligations" and "Transactions not included in the balance sheet pursuant to Section 285 No. 3a of the Handelsgesetzbuch (HGB --German Commercial Code) ". No other off-balance sheet financing instruments are used.

COMPENSATION REPORT

MAIN FEATURES OF THE COMPENSATION SYSTEM FOR THE MANAGING BOARD

Decisions concerning the compensation system for the Managing Board as well as regular discussion and review of the compensation system are the responsibility of the Supervisory Board. Proposals are to be prepared by the Personnel Committee. The compensation system that has applied to the members of the HUGO BOSS AG Managing Board since fiscal year 2010 was approved with a vast majority by the Annual Shareholders' Meeting on May 10, 2011.

The total compensation for the Managing Board consists of non-performance-related (fixed) compensation components and performance-related (variable) compensation components. The compensation structure is oriented toward sustainable growth of the Company by including compensation components with a multi-year assessment basis. The total compensation of the individual Managing Board members is determined by the Supervisory Board based on a performance assessment, taking into consideration any payments by Group companies. Criteria for determining the appropriateness of the compensation are both the responsibilities of the individual member of the Managing Board, his/her personal performance, the economic situation, the performance and outlook of the company, as well as the common level of the compensation taking into account the peer companies and the compensation structure in place in other areas of the Company. In the event of extraordinary services or success of a Managing Board member, the Supervisory Board may decide on special payments at its due discretion.

By resolution of the Annual Shareholders' Meeting on June 21, 2010, no disclosures are to be made on the individual compensation of Managing Board members. The information required in Section 285 Sentence 1 No. 9 Letter a Sentences 5 to 8 and Section 314 Paragraph 1 No. 6 Letter a Sentences 5 to 8 of the Handelsgesetzbuch (HGB -- German Commercial Code) will accordingly not be disclosed for five years. This resolution applies to the fiscal year that began on January 1, 2010 and the four subsequent fiscal years, namely until December 31, 2014. The remuneration is therefore reported in total broken down into individual compensation components.

BASIC COMPENSATION AND ADDITIONAL BENEFITS

The **fixed compensation** components consist of a fixed basic compensation, additional benefits and a contribution to retirement benefits. The fixed basic compensation is paid as a monthly salary. The members of the Managing Board receive additional benefits such as a company car, supplemental payments for health and nursing insurance, conclusion of and contributions to accident and D&O insurance and other benefits in kind forming part of the salary, as well as other equipment and services necessary for Managing Board members to fulfill their duties. In accordance with Section 93 Paragraph 2 Sentence 3 of the Aktiengesetz (AktG -- German Stock Corporation Act), the deductible for the D&O insurance corresponds to 10% of the relevant loss, but no more than one-and-a-half times the fixed annual compensation. Tax on the non-monetary benefit resulting from private use of the company car is to be paid by the Managing Board member.

PERFORMANCE-RELATED COMPENSATION

The **performance-related compensation** includes variable compensation components with a long-term incentive effect. In addition to the personal performance of each member of the Managing Board, the variable compensation is also determined based on the development of the Group's key performance indicators. The quantitative targets are oriented toward increasing the enterprise value and are based on the development of the two key performance indicators EBITDA before special items and trade net working capital over a period of three years. The amount of the variable compensation for a fiscal year depends on the fulfillment of the pre-defined quantitative targets for the multi-year period and the achievement of the personal targets agreed with the Supervisory Board. Earnings-related targets are defined for the multi-year period of three years, whereas individual performance targets are defined for each individual fiscal year. For each of the three targets, however, the degree of target achievement is determined over the multi-year period and then weighted. The weighted average of the target achievement for all three targets is what determines the payout amount.

In the event of full target achievement, 100% of the amount contractually agreed for each member of the Managing Board is paid out. The maximum payout in the event of target achievement of 120% or more is 150% of the contractually agreed amount. If the level of target achievement is less than 75%, no payout takes places.

For a transition period following the introduction of the multi-year bonus agreement in 2010 and ending in fiscal 2012, the members of the Managing Board received advanced payments on their expected variable compensation in 2010 and 2011. The final settlement for the transition period takes place after the end of fiscal 2012. If the advanced payments received exceed the bonus earned for the three-year period from 2010 to 2012, the difference must be repaid to HUGO BOSS AG by the Managing Board member.

SHARE-BASED PAYMENTS

The Managing Board members currently in office do not hold any participation rights from the tranches of the stock appreciation rights program issued in the fiscal years 2001 to 2009

BENEFITS IN THE EVENT OF TERMINATION OF EMPLOYMENT

For the event of early termination, the employment contracts include regulations which – except for the deviation stated in the Declaration of Compliance from December 2012 – comply with the requirements of the German Corporate Governance Code. For the event of regular termination, the employment contracts do not include any regulations other than pension regulations.

In addition, the company has provided pension benefits for Managing Board members. The amount of future pension benefits is based on each member’s base salary and years of service.

PENSION EXPENSES

(in EUR thousands)

	2012	2011
Expenses of earned pension commitments (HGB)	2,259	1,103
Present value provision (HGB) after offsetting of the plan assets	1,386	(72)

TOTAL COMPENSATION

The Managing Board received total remuneration of EUR 7,053 thousand in 2012 (2011: EUR 5,348 thousand). EUR 3,303 thousand of this related to the fixed salary components including additional benefits (2011: EUR 2,873 thousand) while the bonus for the 2010-2012 three-year period including the outstanding amounts for the transition period amounted to EUR 3,750 thousand (2011: EUR 2,475 thousand).

OTHER DISCLOSURES

Former members of the Managing Board and their surviving dependents received total remuneration of EUR 15,226 thousand in 2012 (2011: EUR 10,202 thousand). This includes post-employment benefits for Managing Board members and payments relating to the exercise of outstanding participation rights from the stock appreciation rights program in the amount of EUR 15,035 thousand (2011: EUR 10,016 thousand). The sale of the call options held to secure participation rights did not result in any additional cash outflow for the Group. The members of the Managing Board were not granted any loans in fiscal 2012, nor were contingent liabilities entered into for the benefit of these persons.

COMPENSATION OF THE SUPERVISORY BOARD

The compensation of the Supervisory Board, which is determined by the Annual Shareholders' Meeting, is regulated in Article 12 of the Articles of Association of HUGO BOSS AG. It is based on the size of the company and the scope of activities performed by the Supervisory Board member. The compensation of Supervisory Board members is divided into a fixed and a variable component. The variable component is determined on the earnings per share in the consolidated financial statements. The position of the chairman of the Supervisory Board and his deputy are taken into account when determining the level of compensation. The fixed and variable compensation is paid out after the end of the Annual Shareholders' Meeting that decides on the approval of the actions of the Supervisory Board for the past fiscal year. Members of the Supervisory Board who were on the Supervisory Board or a committee for only part of a fiscal year receive pro rata compensation for each month commenced in this position. Expenses arising in connection with performing their duties are reimbursed to members of the Supervisory Board. Any value added tax is reimbursed by the company, provided the members of the Supervisory Board are entitled to bill the company separately for value added tax and exercise this right. The Supervisory Board received total remuneration of EUR 1,956 thousand for its services in 2011. For fiscal year 2012, total remuneration is expected to amount to EUR 2,014 thousand, including a provision for the variable component of EUR 1,259 thousand (2011: EUR 1,156 thousand), calculated on the basis of anticipated earnings per share in the consolidated financial statements.

LEGAL DISCLOSURES

CORPORATE GOVERNANCE STATEMENT

The corporate governance statement (in accordance with section 289a of the Handelsgesetzbuch (HGB — German Commercial Code) contains the Declaration of Compliance, information on Group management practices and the description of the functions of the Managing and Supervisory Boards. :// www.group.hugoboss.com/Investor Relations/Corporate Governance

REPORT ON RELATIONS WITH AFFILIATED COMPANIES

The Managing Board of HUGO BOSS AG is required to prepare a **report on relations with affiliated companies** in accordance with section 312 of the Aktiengesetz (AktG — German Stock Corporation Act). This report covers the relations with Permira Holdings Limited, Guernsey and the companies owned by the HUGO BOSS Group. In terms of its relations with affiliated companies, the Managing Board issued a report and summarized in a declaration "… that the company received appropriate compensation for all transactions in accordance with the conditions known at the time of the respective transaction. The company was not disadvantaged in 2012 by any measures taken or not taken at the instigation of or in the interest of Permira Holdings Limited, Guernsey or of its affiliated companies."

DISCLOSURES IN ACCORDANCE WITH SECTION 289(4) AND SECTION 315(4) OF THE HANDELSGESETZBUCH (HGB - GERMAN COMMERCIAL CODE)

The requirements in accordance with section 289(4) and section 315(4) of the Handelsgesetzbuch (HGB — German Commercial Code) are listed and explained below. The Managing Board sees no need for further explanation within the meaning of section 175(2) sentence 1 and section 176(1) sentence 1 of the Aktiengesetzt (AktG -- German Stock Corporation Act).

Following the stock consolidation, the **issued capital** of HUGO BOSS AG consists of 70,400,000 no-par-value ordinary shares, each with a notional amount of the share capital of EUR 1.00.

There are shareholdings exceeding 10% of the voting rights.

Apart from that, no other shareholders have reported holdings exceeding more than 10% of voting rights. The company has also received no other new reports of shareholdings of 3% or more of the voting rights in HUGO BOSS AG.

HUGO BOSS AG has not issued shares with special rights granting powers of control. There are no special provisions regarding the exercise of shareholder rights by shareholders who are employees of HUGO BOSS AG.

The **appointment and dismissal of Managing Board members** of HUGO BOSS AG is based on sections 84 and 85 of the Aktiengesetz (AktG -- German Stock Corporation Act) and section 31 of the Mitbestimmungsgesetz (MitbestG — German Co-Determination Act) in conjunction with Article 6 of the Articles of Association. In accordance with Article 6(1) of the Articles of Association, the Managing Board consists of at least two members. The number of Managing Board members is determined by the Supervisory Board in accordance with Article 6(2) of the Articles of Association. The Supervisory Board can appoint a chairman of the Managing Board and a deputy chairman. The Supervisory Board can revoke the appointment of a Managing Board member and the appointment of the chairman of the Managing Board for good cause. According to Article 6(3) of the Articles of Association, Managing Board members generally should not be more than 60 years of age at the time of their appointment. The Supervisory Board appoints Managing Board members for a maximum of five years.

Any changes to the Articles of Association must be approved by the Annual Shareholders' Meeting. Unless otherwise mandated by the German Stock Corporation Act, resolutions are adopted in accordance with Article 17(2) of the Articles of Association by a simple majority of the votes cast and, if a majority of the capital represented upon adoption of the resolution is required, by a simple majority of the share capital represented upon adoption of the resolution. According to Section 20 of the Articles of Association, the Supervisory Board is authorized to resolve amendments to the Articles of Association that affect their wording only.

AUTHORIZATION OF THE MANAGING BOARD TO INCREASE THE SHARE CAPITAL (AUTHORIZED CAPITAL 2009) WITH THE OPTION TO EXCLUDE SUBSCRIPTION RIGHTS

In accordance with the resolution of the Annual Shareholders' Meeting on May 14, 2009, the Managing Board is authorized, with the consent of the Supervisory Board, to increase the nominal authorized capital of the company by a total of no more than EUR 35,200,000 by issuing new registered shares and/or registered preferential shares without voting rights, which correspond to the registered preferential shares without voting rights already issued, in return for cash and/or deposits in kind until May 13, 2014. Increases in the nominal authorized capital of the Company for cash deposits are made subject to the ratios of the two share classes to each other. If the authorized capital is utilized, shareholders are entitled to subscription rights. However, the Managing Board is authorized to exclude the subscription rights of bearer of one class to purchase shares of the other class, to exclude maximum amounts from the subscription rights of the shareholders and, with the approval of the Supervisory Board, to exclude the shareholders' subscription right insofar as the capital increase is made in return for deposits in kind for the purpose of purchasing companies or participation in companies.

AUTHORIZATION TO ACQUIRE AND USE TREASURY SHARES, ALSO EXCLUDING TENDER RIGHTS AND SUBSCRIPTION RIGHTS, INCLUDING THE AUTHORIZATION TO REDEEM PURCHASED TREASURY SHARES AND CAPITAL REDUCTION

The Managing Board's authorization to repurchase shares was renewed at the Annual Shareholders' Meeting on June 21, 2010. In accordance with this, the Managing Board is authorized until June 20, 2015 to acquire registered ordinary and/or registered non-voting preferred shares up to a maximum of 10% of the share capital outstanding on June 21, 2010. HUGO BOSS AG can exercise this authorization to acquire treasury shares in full or in part, solely for registered ordinary and/or registered non-voting preferred shares, thereby partially excluding any options to sell relating to the respective share class, on one or several occasions in pursuit of one or several objectives. The shares can be purchased on the stock market or by means of a public tender offer to holders of the respective share class. Any treasury shares repurchased in accordance with this authorization can be resold on the stock market or by means of an offer to all shareholders, excluding shareholders' subscription rights. They can also be redeemed, used as consideration for a possible acquisition of companies or equity holdings in companies, sold at a price not substantially less than the current stock market price or admitted to foreign stock markets.

HUGO BOSS International B.V.'s syndicated loan guaranteed by HUGO BOSS AG and the bilateral lines of credit contain standard **agreements that give additional rights of termination to both parties to the contract if a change of control occurs due to a takeover bid** (change of control clauses).

The company has not entered into any compensation agreements with members of the Managing Board or employees for the event of a takeover bid.

REPORT ON RISKS AND OPPORTUNITIES

In addition to ensuring the Company's continuation as a going concern, the aim of the risk and opportunity policy of the HUGO BOSS AG is to sustainably increase the enterprise value and to achieve its financial and strategic objectives. Effective risk management should ensure that risks are detected and minimized at an early stage. As well as further reducing potential risks to the Company's success, the identification of new opportunities also serves in particular to ensure profitable growth.

RISK REPORT

The success of the Company is based on systematically exploiting opportunities as part of the medium-term and long-term strategy. In addition, the risk policy pursues the goal of ensuring the Company's continuation as a going concern, sustainably increasing the enterprise value and achieving its financial and strategic objectives.

RISK MANAGEMENT

The basis for successful risk management is set out in uniform Group-wide standards for systematically dealing with risks. These are laid down for HUGO BOSS by the Managing Board in the risk policy and documented in a Risk Manual which applies to the whole Group and is available to the employees online. Risks are defined as potential negative deviations from the planned operating result (EBIT). Established limits describe the risk-bearing capacity of HUGO BOSS and allow the risks to be classified in risk levels from "low" to "high". Risks are reported at regular intervals. In the event of critical issues, the regular reporting process is supplemented by ad-hoc reporting in order to analyze these issues in a timely manner. Furthermore, all HUGO BOSS employees are committed to acting with awareness of risks and to avoiding risks that could threaten the Company's continuation as a going concern. All risks are recorded in a risk software on the basis of a uniform system, thereby ensuring historization and auditing acceptability.

The coordination of Group-wide risk management is centrally guided in HUGO BOSS AG's Risk and Insurance Management department to recognize risks and opportunities at an early stage in order to analyze, manage, monitor and counteract them if needed with risk-minimizing measures. This department is continuously further developing the tools for the risk management system and ensures that risks and opportunities are recorded systematically and regularly within the defined intervals using a uniform method throughout the Group.

DECENTRALIZED RISK ANALYSIS IN THE DIVISIONS

Responsibility for analyzing risks, handling them appropriately and implementing effective risk-reducing measures is decentralized to the individual divisions where the risks may arise. Risk owners are defined for each division. The central department responsible for risk management reports regularly to the Managing Board and supports it in implementing, executing and monitoring the risk management and internal control system as well as in reporting to the Supervisory Board's Audit Committee.

Risks are handled in four ways: avoidance, reduction, acceptance and transfer of risk. Consequently, transferring risks to insurance companies is part of risk management. This neutralizes the financial consequences of insurable risks to the furthest extent possible.

DIFFERENTIATED RISK QUANTIFICATION THROUGH EXAMINATION OF SCENARIOS

Risks are reviewed at least once a year, and depending on their magnitude also at six-month, quarterly and monthly intervals, to ensure that they reflect the current situation. Individual risk entries are revised or supplemented as necessary. Risks are quantified by estimating their probability of occurrence and the associated effects on the operating result (EBIT).

Different risk scenarios for the best, average and worst cases are considered in order to obtain a picture of the risks as differentiated as possible. This takes into account the potentially strong influence of extreme scenarios which have a low probability of occurrence, but a major impact. Medium-term risk trends are also calculated in addition to the 12-month planning period used for risk quantification.

Irregularities can be recognized at an early stage by continuously monitoring early warning indicators. Should a risk materialize, reporting chains are triggered and appropriate pre-defined countermeasures are initiated to guarantee a rapid response.

HUGO BOSS is able to identify risks at an early stage and to respond quickly and appropriately. The risk management system is also reviewed at regular intervals by the Internal Audit department to ensure its proper functioning and appropriateness. The Audit Committee set up by the Supervisory Board is regularly involved in monitoring the effectiveness of internal control, risk management and auditing systems, including with the involvement of the auditors. As part of the audit of the annual financial statements, the independent auditor verifies that the Managing Board has taken the necessary steps according to Section 91, Paragraph 2 of the German Stock Corporation Act (AktG) in an appropriate manner.

RISK AREAS AND STRUCTURE OF INDIVIDUAL RISKS

The individual risks identified by HUGO BOSS are combined in overarching risk areas, which are in turn allocated to an external, strategic, financial, operational or organizational main risk category.

The main risks are described below, although potential other risks that are not currently known or that are currently classed as immaterial may also adversely affect the Company's development in the future.

EXTERNAL RISKS

OVERALL ECONOMIC RISKS

Like any company that operates globally, HUGO BOSS is exposed to general economic risks. A particularly crucial factor here is the global economic situation, which can result in a risk of reduced demand for textile goods and accessories in the premium fashion and luxury market. The consumer goods sector's dependency on consumers' buying behavior results in a general risk for the consumer goods industry that can impact planned sales. However, through advance order entries and the development of its own retail business HUGO BOSS has important early warning indicators that allow the effects of possible general economic risks to be forecasted at an early stage. HUGO BOSS has taken various countermeasures to effectively counteract possible negative impacts of a deterioration in the general economic situation at an early stage. These include strong brand positioning with the aim of increasing market share in a highly competitive environment. A business model geared towards international growth also taps new consumer potential and helps to compensate for possible declines in demand in individual markets. The Company also aims for a balanced distribution of sales across different regions to avoid being overly dependent on individual markets. HUGO

BOSS will therefore continue to seek to expand in profitable growth regions, notably the Asia/Pacific region. The above-average sales growth of HUGO BOSS in the fiscal year 2012 as compared to the growth rates of the global economy and the luxury sector as a whole shows that these measures were successful and HUGO BOSS benefits a strong market position. The Company expects continued growth in the global economy and the premium and luxury goods sector in fiscal year 2013. However, the management believes the actual growth will vary greatly depending on the region. Unfavorable general economic developments can thus possibly affect the planned Company growth. On the basis of ongoing uncertainties in relation to the euro debt crisis and definitive avoidance of the "fiscal cliff" in the U.S., the management considers the potential financial impact to be significant.

SALES MARKET RISKS

As an international company, HUGO BOSS is also subject to risks relating to changes in the sales markets. These risks may arise as a result of changes in the political and regulatory environment or socio-cultural developments. As is the case for all companies, terrorist acts and environmental disasters constitute another possible risk to the Company's net assets, financial position and results of operations. In order to minimize country risks with regard to sales, HUGO BOSS products are mainly sold in countries with stable economic and political environments. In the view of the Managing Board, changes to the regulatory environment in the HUGO BOSS AG's sales markets are currently to be classified as unlikely. The Managing Board estimates the financial impact of an unexpected change to the regulatory environment or socio-cultural development to be minor.

STRATEGIC RISKS

COLLECTION AND SECTOR RISKS

Collection and sector risks may arise as a result of changing fashion and lifestyle trends. The challenge is twofold – identifying the right trends in time and then quickly making them into an unmistakable collection. HUGO BOSS counteracts this risk with in-depth analysis of target groups and markets. The collections for the total of four seasons per year are made up of different elements ranging from components that are used over multiple seasons to programs available for a short time only. This means that trends can quickly be integrated in the collection. Initiatives to shorten the product development cycle so as to react faster to market trends have also been implemented. Increased consumer proximity due to the own retail business also makes a significant contribution to enabling information on trends and buying behavior to be incorporated quickly in the collections. The management considers the probability of collection and sector risks to be unlikely. Potential negative effects are rated as minor.

RISKS TO THE BRAND IMAGE AND CORPORATE IMAGE

Financial success at HUGO BOSS rests on its brand image and its long-term positioning of the brands in the premium and luxury market. Protecting and maintaining the brand image is therefore a correspondingly high priority at HUGO BOSS. This is implemented in the form of strategic measures such as clearly defined brand positioning supported by targeted marketing activities and a uniform global brand presentation with ongoing monitoring and analysis of the markets. The brand's trademark protection and the prosecution of counterfeiters are a key part of securing the brand image.

HUGO BOSS corporate image is reflected in its perception by its stakeholders, such as customers, shareholders, suppliers and employees. Corporate communications with external parties are managed centrally through the Communications and Investor Relations departments.

Compliance with laws, standards and guidelines is also monitored on a regular basis both within the Company and at suppliers. Negative affects of risks to brand and corporate image are currently classified as possible. However, the impact of these risks on net assets, financial position and results of operations is considered minor.

INVESTMENT RISK

One of HUGO BOSS' main strategic objectives is the continued expansion of the Group's own retail business. Retail activities involve investment risks arising from establishing and maintaining stores and from long-term leases and personnel expenses. This inevitably leads to an increase in fixed costs, although this is counterbalanced by the opportunity of rising gross profit margins. In order to minimize the risk of bad investments and unprofitable Group retail stores, decisions regarding new store openings and store closures are made centrally in consultation with the responsible regional directors. The opening of any new store is always preceded by extensive examinations of the location and analyses of its potential and by intensive sales and development planning.

Group companies are required to submit monthly reports on the performance of their own retail activities. Continuous monitoring of their performance ensures that the onset of any negative trends at individual stores can be recognized early and countermeasures can be taken, such as possible restructuring. The investment risk is also minimized by a globally uniform store concept at the point of sale, so that in the event of a store closure some of the furniture can be used at other locations. In the context of general investment controlling, the value contribution of all other investments is also examined taking into account the risks entailed. In light of the measures described, the investment risk is considered minor and and its probability of occurrence is unlikely.

FINANCIAL RISKS

The HUGO BOSS AG is primarily subject to credit risks and risks related to financing, liquidity and changes in interest rates and currency exchange rates, which may influence the Group's net assets, financial position and results of operations. These risks are subject to continuous intensive controls. The development of the exposure is constantly monitored, quantified and – if necessary – hedged in order to minimize balance sheet risks.

FINANCING AND LIQUIDITY RISKS

Managing liquidity risk is one of the main responsibilities of the HUGO BOSS AG Treasury Department. Liquidity risk is the risk that current or future payment obligations may not be met with regard to their maturity, volume and currency due to insufficient available cash. This risk is managed centrally in the HUGO BOSS Group. To guarantee the Group's solvency and financial flexibility at all times, financial requirements are calculated on the basis of a three-year financial plan and currency-differentiated liquidity planning that is prepared on a rolling monthly basis with a planning period of up to one year. The financial requirements are then covered by credit lines and cash.

A syndicated loan available until May 2013 ensures financial flexibility. The current credit line under the syndicated loan amounts to EUR 450 million, of which only the fixed tranche of EUR 300 million had been utilized as of the reporting date.

The existing syndicated loan agreement includes standard covenants requiring compliance with certain key indicators. Breaches of these covenants would result in the loan being called in early. HUGO BOSS does not see any risks from infringements of financial covenants, even in the case of overall economic conditions deteriorating.

The Group was currently holding negotiations for long-term refinancing as of the reporting date. HUGO BOSS is aiming for another syndicated loan of EUR 450 million as follow-up financing.

Management assumes that the follow-up financing of the existing syndicated loan will be successfully concluded at the end of the first quarter of 2013. On that condition, the raising of sufficient funds to finance the Group's ongoing growth is guaranteed. The Managing Board can take other measures to secure the continuation of operating business. This would include a possible sale of treasury shares, postponement of planned investments in further retail expansion or a reduction of dividend payments. In addition, additional potential sources of finance, such as authorized and contingent capital, are available to the Group. For this reason, the Managing Board expects liquidity to be secure in the forecast period even in the unlikely event that follow-up financing is not obtained. Consequently, the management regards the probability of financing and liquidity risks as unlikely and of a minor financial extent.

INTEREST RATE RISKS

Market-driven fluctuations in interest rates firstly impact the level of interest expenses in the HUGO BOSS AG and secondly influence the market value of financial instruments. Significant changes in interest rates could therefore affect the profitability, liquidity and financial position of the Company.

The major part of the financial liabilities of the HUGO BOSS AG are floating-rate debts and are subject to short-term interest fixing. The resulting interest rate risk also represents a cash flow risk with implications for the amount of future interest payments. To minimize the effects of future interest rate volatility on financing costs, derivative financial instruments are mainly used in the form of interest rate swaps. Derivatives in an effective hedge relationship as defined in the IFRS impact equity in the event of interest rate changes, whereas derivatives without such hedge relationships are recognized in profit or loss. As of the reporting date, the derivatives to hedge the interest on the syndicated credit line were in an effective hedge relationship as defined in the IFRS.

In view of the current monetary policy, particularly that of the European Central Bank and of the Federal Reserve, the management considers significant changes in interest rates to be unlikely at present, in contrast to the previous year.

CURRENCY RISKS

The currency risks of the HUGO BOSS AG mainly result from its operating business as well as from its intercompany financing activities.

In operating business, currency risks primarily arise from sourcing goods in a currency other than the Company's functional currency (transaction risk).

Currency risks from HUGO BOSS operating business result from operations in the USA, Great Britain, Australia, Canada, Switzerland, Japan, Hong Kong and China as well as the supply in foreign currencies.

Currency Management for transaction risks is carried out centrally for all Group companies. The primary goal is to reduce the overall currency exposure by using natural hedges. These hedges consist of balancing the currency exposure from business operations across the Company. No further hedging measures are then necessary for the balanced positions.

Forward exchange contracts, swaps and plain vanilla currency options can be used to hedge the remaining exposure. The primary goal of the hedging strategy is to limit the effects of exchange rate fluctuations on the balance sheet. The terms of the derivatives entered into are generally adapted to the underlying hedged item when the derivatives are concluded. The financial derivatives entered into that are traded on the OTC market are used solely to hedge the underlying transactions. In order to obtain the best possible deal, quotes are obtained from a number of banks. Transactions are contracted with the bank quoting best.

Foreign currency risks from financing activities result from financial receivables and liabilities in foreign currencies and from loans in foreign currencies which are granted to Group companies for financing purposes. Group-wide guidelines ensure a strict separation of functions between trading, processing and control of all financial market transactions. These guidelines also constitute the basis for selecting and determining the scope of hedging activities. The goal of currency hedging is to reduce currency effects on the development of the Group’s net income and equity.

CREDIT RISK

The credit risk related to financial institutions arises primarily from the investment of liquid funds as part of liquidity management, from short-term deposits of bank balances where necessary, and from trading in derivatives.

With financial instruments, the Company is exposed to a (bank) default risk resulting from the possible counterparty default. The maximum amount of this risk is therefore the positive fair value of the financial instrument in question. To minimize default risk, the HUGO BOSS AG concludes financial instruments only with counterparties with first class credit ratings and adheres to predetermined risk limits. Only in exceptional cases and with the approval of the Managing Board may investments be made or derivative transactions entered into – within narrow limits and terms – with banks with a lower credit rating. HUGO BOSS assumes that the risk concentration is low and considers the probability of default by counterparties to be minor. As the Company works with banks of consistently excellent credit standing, counterparty risks are considered unlikely.

SHARE PRICE RISK

HUGO BOSS employs derivatives to hedge against future expenditure from claims arising from the share-based compensation program "Stock Appreciation Rights Program" that have not yet been settled. Due to fluctuations in the share price, both the stock appreciation rights and the hedging instruments used are subject to changes in value. Hedging instruments that are no longer opposed by a hedged item can affect the Group's earnings. The effectivity of the hedging and the exercise of the stock appreciation rights are monitored on a monthly basis. The scope of financial derivatives is changed provided that there are no more obligations in connection with the "Stock Appreciation Rights Program". However, delayed sale of the hedging transactions can possibly result in a negative impact on the earnings, net assets and the financial position, but the HUGO BOSS AG regards this impact as minor.

TAX RISKS

Tax issues are regularly analyzed and assessed by the central tax department in cooperation with third-party tax consultants. Tax risks are possible for all outstanding assessment periods and can result from current business activities or changes in the legal or tax structure of the Company. Sufficient provisions have been recognized in the past for tax risks already known about. The amount of these provisions is based on various assumptions such as the interpretation of the respective regulations, court rulings and administrative opinion by local tax consultancies, on the basis of which the management measures the level and probability of a potential risk. Due to changes in the tax legislation of individual countries or different assessments of existing facts by the tax authorities, the Company assumes that additional tax risks are a possible.

OPERATIONAL RISKS

RISKS RELATING TO THE SOURCING MARKET

The high quality requirements for HUGO BOSS products and thus the sourcing and production processes require close partnerships with suppliers. The increased overall sourcing and production volume resulted in even closer cooperation with selected suppliers. **Dependencies** may arise due to production capacity being concentrated with key suppliers. A possible accumulation risk could also result from regional events that simultaneously affect several suppliers, business areas or product groups. This has practical relevance, e.g. with regard to earthquake risk at the production site in Turkey. Potential losses and relocation options have been identified and the risks of financial loss have been covered to the fullest extent possible with insurance policies.

In order to ensure reliable availability of production materials and capacities of a suitable quality and at prices in line with the market, orders to suppliers and utilization of manufacturers' capacity are coordinated centrally. The supplier structure is reviewed on a regular basis with the aim of identifying country risks in good time. Diversification of risks is ensured to the greatest extent possible in line with the volumes, which depend on quality and available production capacity. The sourcing volume is distributed across a global network of suppliers so as to spread the risk and make the Company as independent as possible of single sourcing locations and manufacturing companies. As such, the largest independent manufacturer of merchandise accounted for only around 8% of the total sourcing volume of the HUGO BOSS AG (2011: 8%). On this basis, the management considers risks from dependence on individual suppliers or the regional distribution of the sourcing volume unlikely. Due to increased demand and reduced time to market as part of a conversion to a four-collection cycle, the importance of a reliable and punctual supply of goods has continued to grow. The financial impact of risks from dependency in terms of sourcing has therefore risen in comparison to the previous year and is classified as moderate.

Wage increases in production – which are particularly likely in emerging economic regions – and rising raw material prices may lead to higher **product costs**, thus putting pressure on the gross profit margin. The HUGO BOSS AG is counteracting this risk with margin-based collection planning, company-wide measures to improve efficiency in production and sourcing processes, an improvement in the use of materials, and consistent implementation of the pricing strategy. Due to the lead time in the sourcing and production processes, the Company can already react to early warning indicators. In light of the current developments in the emerging economies, it is presently assumed that risks of higher product costs are possible but would have only a minor negative effect on forecast earnings development.

The allocation of production capacity as well as raw materials and finished goods as part of sourcing processes is associated with **planning risks**. Deviations from the appropriate allocation can lead on the one hand to overallocation and a resulting risk of increased capital commitment, and on the other hand to underallocation with the risk of not taking advantage of sales opportunities. The effects of this are considered likely with a significant influence on expected earnings development. The Company is therefore working very hard to continually improve the quality of forecasts and to reduce time to market in order to reduce this risk. To this end, the electronic connection between the suppliers and the company has extended further in the past few years to enhance transparency across procurement chains.

QUALITY RISKS

Product quality plays a key role in brand image. Products are subject to standardized Group quality control checks at all stages of production. Traveling quality consultants regularly visit production sites and review compliance with the strict design and production specifications of HUGO BOSS. Incoming controls, supplier checks and quality tests in the Technical Development Center at the Metzingen head office ensure that the high quality standards of HUGO BOSS are complied with and that goods are delivered to customers smoothly and on time. Nonetheless, HUGO BOSS will continue to regard the occurrence of product returns for reasons of quality as most likely. However, due to the formation of corresponding return provisions and the regular review of the values taken into account, the impact on future earnings development is considered moderate.

LOGISTICS RISKS

Raw materials and finished goods are stored only in a few selected locations. The central distribution center for hanging goods at the headquarters in Metzingen and the establishment of a central flat packed goods warehouse further strengthen this consolidation trend. Logistics risks may occur relating, for example, to the failure or loss of warehouses. To counteract the risk of loss of raw materials or finished goods, which equals a loss of sales due to inability to supply, strategically important warehouses are operated by HUGO BOSS itself and comprehensive technical and organizational measures are taken for fire protection and security. Adherence to these measures is monitored on an ongoing basis. In addition, HUGO BOSS uses insurance policies to cover the direct financial risk of loss of goods in warehouses as well as a loss of its production sites. Because of the continued expansion of the Group’s own retail business, the importance of on-schedule delivery of the correct quantities has continued to grow. Therefore, the probability of risks in logistic processes has increased year-on-year and is classified as possible. Financial effects are therefore rated minor.

DISTRIBUTION RISKS

There is a risk that individual directly operated stores could fall short of the originally planned sales targets and, in extreme cases, might have to be closed. These cost risks are discussed under investment cost risks in the area of strategic risks.

The increasing share of the **Group's own retail business** may potentially entail a corresponding increase in inventory risks as a consequence of the general economic situation or weak development of the Group’s own retail stores. This may result in depreciation of inventories or ultimately in a need to destroy goods. Differentiated retail formats and collections tailored to this are used to bring about a constant improvement in efficiency on the sales floors.

Inventory management will continue to be of major importance. The challenge is to be able to respond to orders from customers at short notice while still optimizing inventories. Replenishment is coordinated by a central department to reduce inventory risk and to optimize the inventory position in general. Write-downs are recognized and reviewed at regular intervals for inventory risks resulting from a partial reduction in marketability due to long storage periods. In the management's view, sufficient write-downs had been performed as of the reporting date. A decline in demand or a mistaken estimate of the sales ratio can possibly have a negative impact on inventory turnover and lead to higher discounts. Both factors affect the value of inventories and result in further write-downs that can moderately affect the business development of the Company.

The Company strives to maintain a balanced customer structure to avoid potential dependency on individual customers in the **wholesale channel**. The expansion of the Group’s own retail activities reduces reliance on wholesale business. Key figures such as order levels, sales, and delivery rates are monitored on an ongoing basis in real time by the sales controlling department.

Losses due to bad debts may be incurred in the wholesale channel. This risk depends on both the general economic development and the customers’ individual financial situation. HUGO BOSS AG is therefore exposed to negative effects as a result of individual trading partners’ inability to pay or insolvency and cumulated defaults arising from a potential deterioration of the general economy in individual markets and regions. However, this risk is mitigated by the disproportionately increase in the share of the Group’s own retail business in total sales. The Group-wide credit management system successfully implemented in the past, which operates in accordance with uniform rules, was further intensified by centrally coordinated measures. These measures focus on credit screening and on setting and adhering to customer credit limits, monitoring the receivables' age structure, and managing doubtful accounts. In some cases, this also resulted in discontinuation of business with customers deemed not creditworthy. The Internal Audit department regularly reviews adherence to these Group guidelines. There was no concentration of default risks due to major receivables from individual customers as of the reporting date. Possible risks in connection with default by wholesale partners are therefore considered to be minor.

External conditions such as the **competition** result in changes in demand for HUGO BOSS products and higher price pressure in the sales markets affected.

Despite the continued expansion of the Group's own retail business, wholesale business will remain an important distribution channel. The establishment of close customer relationships and long-term alliances with trading partners in the high-end market segment therefore remains important in order to gain additional market share. Granting additional discounts to wholesale partners could result in negative effects on the gross profit margin. Higher discounts in retail due to deterioration of demand would also negatively affect earnings development. However, to limit the discounts offered, margin and earnings targets are defined in advance for each individual market and distribution channel. In addition, the discounts granted are monitored on an ongoing basis, both for wholesale and the Group's own retail operations, as part of the preparation of the monthly financial statements. Compliance with internal corporate guidelines on granting discounts in retail is also continuously monitored by the central sales controlling department. Adequate provisions were made for discounts already granted, particularly in wholesale, at the reporting date. However, the management assumes that it is likely for additional discounts to be granted and that these discounts would have a moderate impact on planned earnings development.

ORGANIZATIONAL RISKS

IT RISKS

The uniform IT infrastructure across the Group facilitates smooth business operations. To reduce risks such as system interruptions, data loss, and unauthorized access, a number of measures are implemented in the form of multi-level security and virus plans, issuing access rights, access control systems and independent energy supplies. Therefore, the management assumes that the occurrence of IT risks is unlikely and that these risks would have only a minor financial impact.

LEGAL RISKS

As part of global business operations, legal risks may arise. To avert litigation to the greatest extent possible, all significant legal transactions of the HUGO BOSS AG are reviewed and approved by the central legal central department. The legal department works closely with local attorneys and the Group's subsidiaries in this process. Liability risks are reduced by insurance policies in effect throughout the organization. Adequate provisions were made in the past fiscal year for court costs and costs for legal counsel. The risk of further legal risks is considered possible, though the management feels that their impact on the earnings, net assets and financial position of the Group would be minor.

PERSONNEL RISKS

Risks relating to personnel arise mainly from shortages of potential staff in the recruitment process, a lag of specialit staff and fluctuation. These risks are limited by means of comprehensive professional development measures, performance-oriented compensation and succession planning at an early stage. Employee development and career planning is also promoted in a targeted way with comprehensive talent and performance management. The personnel risks described are considered possible given the current HR requirements within the Company with a minor effect on planned earnings development at the same time.

RISKS RELATING TO CORPORATE GOVERNANCE AND COMPLIANCE

HUGO BOSS is characterized by a corporate culture that is based on trust and utilizes flat hierarchies. Independent thinking and own initiative are promoted at all levels. Despite extensive and multilevel auditing and controlling mechanisms, access to confidential information and the high level of entrepreneurial responsibility may be abused. HUGO BOSS has therefore included appropriate regulations in its employment contracts with all employees in line with good corporate governance. Individuals who are considered insiders as defined by securities legislation are listed in an insider register and are required to comply with the pertinent regulations. The existing authorization regulations are also reviewed and updated on a regular basis.

All HUGO BOSS AG employees are required to adhere to the general code of conduct that applies throughout the Comp as well as to additional specific compliance regulations. A comprehensive training program on compliance was conducted again in the past fiscal year. Adherence to the compliance regulations is monitored centrally and reported to the Managing Board. Violations of compliance regulations are considered possible, but non-compliance would have only a minor financial impact in the management's view.

In addition, suppliers are contractually obliged to adhere to social standards governing areas such as occupational health and safety, prohibition of child labor and adequate wages. This is monitored by means of regular audits. If infringements of standards and statutory provisions are identified, the audit frequency is increased depending on the seriousness of the infringement and a binding plan of measures with renewed implementation control is agreed together with the suppliers. In serious cases, the cooperation may be terminated.

The Managing Board currently considers non-compliance with the Company's social standards unlikely. Unexpected infringements could have a moderate impact on the earnings, net assets and financial position of the Company.

ASSESSMENT OF THE RISK SITUATION BY THE MANAGEMENT

Both the parent company and all the subsidiaries operate with the same kind of risk analysis and risk management, which is the organizational precondition for early detection of risks. Risks are uniformly quantified in the same way, namely by calculating their influence on EBIT and/or cash flow.

There are no individual or combined risks that could jeopardize the Company's continuation as a going concern according to current information.

REPORT ON THE ACCOUNTING-RELATED INTERNAL CONTROL SYSTEM AND THE RISK MANAGEMENT SYSTEM IN ACCORDANCE WITH SECTION 289 PARAGRAPH 5 AND SECTION 315 PARAGRAPH 2 NO. 5 OF THE HANDELSGESETZBUCH (HGB -- GERMAN COMMERCIAL CODE)

The goal of the Internal Control and Risk Management System as it applies to the accounting process and the preparation of the financial statements of the HUGO BOSS AG is to record, present and value all transactions correctly on the balance sheet. The clear definition of areas of responsibility in the finance department of HUGO BOSS AG and the proper continued professional education of employees, together with the use of the suitable software and uniform prescriptive guidelines, constitutes the basis for a proper, efficient and consistent accounting process. This ensures that the assets and liabilities are recognized, valued and reported correctly in the financial statements and that a reliable statement about the Company's earnings, net assets, financial position and cash flow can be made.

ACCOUNTING-RELATED IT SYSTEMS

Management controls in all business divisions require correct and up-to-date information. This means that business information and reporting systems are extremely important. The quality of control over operations has been greatly improved by the introduction of SAP AFS, SAP Retail and the Business Intelligence Services system (BIS). BIS contains numerous key performance indicator reports for both the finance department and all operational divisions that can be can accessed daily.

In the finance department, the comprehensive monthly reporting package is one of the most important reporting instruments. As part of standardized Group-wide reporting, all HUGO BOSS companies provide detailed information on the most important balance sheet and income statement items, as well as key figures and additional comments. Both the reporting dates and the content for this are stipulated by the central finance department and are binding.

There are automated and standardized reporting formats for a large part of the reporting content. Professional responsibility for this lies with the central finance and controlling departments. In addition to centrally updating the master data of the uniform Group-wide chart of accounts, this also involves reviewing the reporting formats on an ongoing basis with regard to compliance with the applicable international standards for financial reporting. In addition, the uniform Group-wide mapping of HUGO BOSS' transactions is reviewed at regular intervals and corrected if the presentation differs from the actual transactions.

In order to prevent unauthorized access to accounting-related data and to ensure the integrity, availability and authenticity of the data at all times, the SAP Security Policy (part of the IT Security Guideline) was implemented throughout the Group. This guideline also includes requirements for monitoring compliance in the finance department. The IT security for accounting-related processes is supplemented with system-supported controls and workflow-based processes which stipulate a checks-and-balances principle, appropriate separation of functions, and approval processes. These include invoice auditing and authorization, purchasing processes and SAP authorization management.

In addition, the IT authorization required by employees is defined by their roles, which reflect jobs or positions within the Company. In order to ensure a proper separation of functions in the SAP systems, HUGO BOSS began fully implementing special detection software in 2009. This compares the rights profile of a user with a pre-installed SoD (segregation of duties) schedule. The software allows critical rights to be identified and appropriate countermeasures to be initiated. The Group-wide rights management and role definition also come under the responsibility of the central IT departments of HUGO BOSS AG in Metzingen.

All subsidiaries of the HUGO BOSS AG are independent legal entities. Each market is run by a Managing Director who is responsible for business operations and a Finance Manager for all accounting-related matters. The areas of responsibility of the Finance Manager in each market include continuous monitoring of key performance indicators, monthly reporting of key financial indicators to the central finance department, and preparation of the three-year plan. In addition, new investment projects, particularly in the area of the Group's own retail business, must be analyzed with reference to their feasibility and profitability and then agreed with the HUGO BOSS AG controlling department.

As the functional superior of all Finance Managers, the Chief Financial Officer of HUGO BOSS AG is authorized to issue directives and is therefore responsible for worldwide financial management.

Furthermore, the Finance Managers and Managing Directors of HUGO BOSS companies issue what is known as a CFO Certificate every quarter confirming adherence to certain defined principles and the exercise of management controls. Some of these controls are also integrated in the Group-wide ERP software. Reports are also submitted on the appropriateness of the controls for ensuring data integrity and data access protection, and on cases of fraud or major violations of the Internal Control System.

In addition to providing active support for all business divisions and Group companies, the central finance department in Metzingen is also responsible for preparing and updating uniform guidelines and instructions for accounting-related processes. This chiefly pertains to preparing and updating a guideline on allowances for doubtful accounts, an investment guideline, the IAS/IFRS accounting manual and clear requirements for intercompany reconciliation.

Questions on specific accounting or valuation matters relevant to the HUGO BOSS Group are also dealt with centrally, where they are analyzed and documented before being communicated to the HUGO BOSS Financial Community. A central e-mail address also gives employees the opportunity to quickly address open questions to the central finance departments. Major accounting issues and changes to the relevant IAS/IFRS standards and interpretations are discussed with the auditors at regular meetings which take place at least once a quarter. Professional development events are also organized at regular intervals, and updates on accounting-related topics are communicated in the Accounting Newsletter and listed on the Group Intranet in the Finance Forum. Training is given in a financial college for junior employees in the finance department. The responsible Finance Managers meet once a year at the Finance Managers' Meeting.

The Internal Audit department is part of the Internal Control System and reviews the specified controls for compliance and effectiveness as part of its monitoring function. The annual audit plan and the areas it will focus on are agreed with the Managing Board and the Audit Committee. Ad-hoc audits may be carried out at any time. All audit reports are reported directly to the Chief Financial Officer and to other Managing Board members as appropriate. In addition, the Internal Audit department submits regular reports to the Audit Committee.

OPPORTUNITIES REPORT

Systematically identifying and exploiting value-enhancing business opportunities is a key element of ensuring profitable growth of the Company.

On account of the direct connection with the goals and strategy of the relevant business division, responsibility for identifying, assessing and exploiting opportunities lies with the operational management in the regions, individual markets and central functions. Opportunities are always considered in conjunction with potential risks and are pursued only if they outweigh the risks associated with them and if these risks are considered manageable and limited in terms of their potential effects.

Short-term opportunities, defined as potential positive deviations from the planned operating result (EBIT) for the current fiscal year, are recorded centrally at regular intervals. Long-term opportunity management is directly linked with Group planning. Opportunities that have been identified and assessed on the basis of their contribution to the enterprise value are incorporated in the annual budget and long-term strategic planning. In dialog with the operating units, the Managing Board makes the decision on their implementation and allocates the resources required for this.

HUGO BOSS has identified the following major opportunities arising both from the business environment and also from the strategy itself.

EXTERNAL OPPORTUNITIES

The Company's growth prospects are influenced by the economic situation on its sales markets. As a consumer goods company, HUGO BOSS can benefit directly from positive general economic developments and their impact on consumer confidence and customers' buying behavior.

Changes in regulation and legislation can have a potentially positive influence on the Company's sales opportunities and profitability. A reduction in import duties or taxes, for example, can improve the Company's competitive position in relation to the local competition.

STRATEGIC AND OPERATIONAL OPPORTUNITIES

Industry experts anticipate strong global growth in the market segment relevant to the premium and luxury goods sector. For instance, some analysts expect that by 2025 approximately 600 million more people worldwide will have the financial capacity to purchase premium and luxury goods as compared to the present. Significant increases are expected particularly in emerging economies such as China due to rising income and the high share of total disposable income spent on consumption as compared to other regions of the world. Owing to its brand positioning at the threshold of the luxury sector, HUGO BOSS considers itself to be ideally positioned to benefit from this development. It is working to realize the identified growth potential through market entry and market cultivation strategies specifically tailored to the individual countries.

In recent years, interest in fashionable clothing has grown considerably among younger men in particular. More and more men are paying increasing attention to a fashionable appearance in order to express their own personality or to stand out from the crowd. In addition, increasing importance is being attached to individuals' clothing with regard to perceptions of their personal skills in a work environment. HUGO BOSS' brand commitment of offering fashionable and stylish apparel of outstanding quality addresses these needs very effectively, so that HUGO BOSS therefore sees good opportunities to benefit from the global trend of men's growing interest in fashion.

The rapid technological advances of the past fifteen years, particularly the massive increase in the importance of the Internet, have made a great difference to consumers' shopping habits and lifestyle. HUGO BOSS sees these changes as an opportunity to enhance the image of its brands, strengthen existing consumer relationships and gain new customers. In expanding and continuously improving its online store, the Company meets consumers' needs with regard to product presentation, choice of products, service and convenience. Closer integration of its online business with its bricks-and-mortar retail also offers significant growth opportunities. At the same time, HUGO BOSS uses digital media to allow consumers to experience its brands first hand and to increasingly individualize the way it approaches customers.

HUGO BOSS has an outstanding position in the global fashion market. All of the brands stand for excellent quality, outstanding workmanship and modern design. With its brands, HUGO BOSS appeals to a wide public across the whole spectrum of the premium fashion market – from the avant-garde HUGO brand to the BOSS Orange lifestyle brand. By deciding to combine BOSS Selection and the core BOSS brand, the Company has also enhanced its product range in the luxury segment. HUGO BOSS expects the further expansion of its product range in this market segment to result in improved opportunities for strengthening its customers' loyalty to the brand across all stages of their life.

HUGO BOSS holds the leading market position particularly in premium menswear in many regions. In the womenswear market, however, it has a much lower penetration in most markets. The Company therefore sees considerable potential in this market and is working intensively on successfully implementing its strategy in this business area in order to gain market share. In sportswear in particular, the Company feels that there are significant opportunities here based on its market success in menswear. HUGO BOSS has also identified good growth opportunities in the product categories of shoes and accessories in combination with its apparel range.

Over the past years, HUGO BOSS has geared its distribution activities more strongly towards end consumers and has significantly increased the share of sales generated by its own retail business. The Company is thereby responding to customers' preference for monobrand sales formats, particularly in many fast-growing emerging markets where the multi-brand sales formats such as department stores that are well-established in Europe and North America have much lower market penetration. In addition, more and more trading partners in the Company's established core markets are changing over to allowing manufacturers to manage their sales space independently. HUGO BOSS has therefore systematically increased its retail expertise and sees major opportunities to generate above-average sales and profit growth from direct sales to end consumers in addition to its established wholesale business.

Extensive control over how the point of sale is arranged also enables to enhance the presentation of its brands, thereby increasing the perceived value of its product range. HUGO BOSS believes that this development offers major opportunities to profitably increase consumer demand both in its directly operated stores and with its trading partners.

HUGO BOSS has also taken account of the growing importance of own retail business by optimizing key operational processes. As a result, the Company is able to gear itself more strongly towards the needs of end consumers and to react faster to market changes than it has done in the past. HUGO BOSS also sees significant opportunities in the coming years to achieve positive sales and earnings effects through ongoing process optimization. For example, the construction of a new flat packed goods warehouse provides significant opportunities for optimizing the management of flows of goods in own retail business in Europe and for increasing efficiency.

FINANCIAL OPPORTUNITIES

Favorable exchange rate developments can potentially have a positive influence on earnings development. HUGO BOSS analyzes the market environment on an ongoing basis in order to identify and take advantage of such opportunities.

SUBSEQUENT EVENTS AND OUTLOOK

SUBSEQUENT EVENTS

HUGO BOSS LAUNCHES ADR-PROGRAM

On January 18, 2013, the HUGO BOSS Group launched a Level 1 American Depositary Receipt (ADR) program in the U.S.

The program is intended to increase the Group's visibility on the U.S. capital markets and broaden its investor base there. The securities are traded under the CUSIP number 444560106 and the ticker symbol BOSSY on the over-the-counter market in the U.S. An ADR represents one-fifth of the HUGO BOSS AG ordinary share. The custodian bank for the ADRs is The Bank of New York Mellon.

HUGO BOSS ordinary shares are also still traded via the electronic trading system XETRA, on the Frankfurt Stock Exchange and on all regional stock exchanges in Germany under the ticker symbol BOSS.

SUBSIDIARY IN SINGAPORE

With effective date of January 23, 2013 all share of H.Boss East Asia Pte Ltd., Singapore were transferred to HUGO BOSS International B.V.

NO FURTHER REPORTABLE EVENTS

Between the end of the fiscal year 2012 and the approval for publication of this report on February 22, 2013, there were no further significant macroeconomic, socio-political, sector-related or company-specific changes that the management expects will have a material influence on the results of operations, net assets and financial position of the Company.

OUTLOOK

As an international fashion company, HUGO BOSS' profitable growth is influenced not only by the strategic initiatives implemented throughout the Group, but also by global economic conditions and sector-specific developments. For example, consumer confidence and private consumption, which are highly relevant to HUGO BOSS, are often reflected in the economic situation or in forward-looking business climate indicators. It is therefore very important for the Company to identify macroeconomic and sector-specific trends at an early stage so that it can react to them in good time with suitable measures.

The following report sets out the HUGO BOSS management's forecasts for the future business performance and describes the anticipated development of the main economic and sector-specific conditions. It reflects the current knowledge of the management at the time the report was prepared, while also aware that the actual development may differ considerably from these forecasts, either positively or negatively, due to the occurrence of risks and opportunities as described in the report on risks and opportunities. Other than the statutory publication requirements, the HUGO BOSS AG does not assume any obligation to update the statements contained in this report.

OUTLOOK FOR GROWTH IN THE GLOBAL ECONOMY

For 2013, experts anticipate moderate global economic growth with a slightly higher increase than in the previous year. The economic outlook is overshadowed by ongoing uncertainties in relation to the euro debt crisis and definitive avoidance of the "fiscal cliff" (tax increases and spending cuts imposed by budget law) in the U.S. Opportunities for the economy arise primarily from the monetary and fiscal policy stimulus measures planned and in some cases already implemented in emerging economies. The level of growth will therefore differ from region to region in 2013: Asia is likely to remain the world's growth engine and the U.S. economy is expected to post moderate growth – provided a sustainable solution to the U.S. budget problems is found – whereas the euro-zone economy is expected to develop stably overall or could even contract slightly.

In **Europe,** the economic prospects for 2013 have improved slightly in comparison to the previous year, but still point to a minor downturn in the economy. High unemployment and sustained government austerity will continue to negatively impact consumption. Following a moderate recession in the first half of the year, the euro zone is expected to see a slight expansion in the second half, partly due to the recovery of the global economy and the resulting increase in foreign demand. There is no sign of a quick solution to the sovereign debt crisis in Southern Europe in particular. Much will depend on how much progress the peripheral countries can make in overcoming the crisis. Germany is expected to perform better than average in 2013. This development should be supported by its low unemployment, robust private consumption, stable domestic demand and increasing exports.

Provided a sustainable solution is found for reducing the high level of sovereign debt, conditions for growth in the **U.S.** are likely to remain positive in 2013. Lower energy costs, a significant upturn in private consumption and increased corporate capital expenditure should contribute to this. Overall, economic growth of 2% is expected in the U.S. After a mixed performance in the past year, economists are forecasting a substantial recovery in growth rates in **Latin America** in 2013. This trend will likely be boosted by an upturn in the export sector, among other factors. Chile, Columbia and Peru are expected to make a significant contribution to growth in the region, and the Brazilian economy should also pick up in light of considerable monetary policy stimuli.

The **Asian economy** is likely to see slightly stronger growth in 2013 than in the previous year. Growth here is expected to reach almost 7%, supported by global signs of recovery. In China, the new political leadership is expected to introduce major economic stimulus measures, with one of their focuses being to boost private consumption. Experts anticipate economic growth of just over 8% in China in 2013, representing a slight year-on-year improvement. In the mature markets of Japan and Australia, a mixed performance is expected. Following the recent slowdown in economic growth in Japan, a more aggressive fiscal and monetary policy approach by the government should bring about a moderate recovery starting from the second half of 2013. Growth of the Australian economy is expected to slow slightly due to the difficult situation in the real estate sector and restrained private consumption.

The growth trend in the premium and luxury goods sector is expected to continue in 2013. According to sector experts, the currency-neutral growth rate will be in the mid single-digit range and is thus expected to be higher than the rate for the economy as a whole. Despite continued uncertainty regarding the economic situation in Europe and the U.S., growth should be boosted by higher increases in demand in China in particular.

In 2013, all regions are expected to contribute to sector growth, which will be supported in particular by growing demand in emerging economies. This is also expected to boost the sales performance in **Europe** and **the Americas** in the form of tourism. Growth in Western Europe and particularly in Southern Europe will most probably still be impacted by the deterioration in consumer sentiment. However, this is likely to be offset by strong growth in Russia and the Middle East in particular. Demand in **the Americas** is considered to be stable still, as consumer confidence has increased again. The **Latin American markets** will make a particularly strong contribution to the region's moderate growth prospects. In both Europe and the Americas, continued consolidation of the sector is anticipated. Tapping of regions outside the major cities is likely to increase on a global level. Despite the slowdown in growth observed in the past year, the highest growth rates for the sector are forecasted in **Asia**. In China, the sector environment is expected to recover again following the significant downturn in 2012. The extent of this recovery will depend to a large extent on the relevant consumer segment's confidence in the future economic and political development of the country.

HUGO BOSS expects to increase its sales further on a currency-neutral basis in 2013. The Company anticipates that this growth will exceed the growth rates for the global economy and the luxury goods sector.

GROWTH IN ALL REGIONS

All regions will contribute to the forecasted sales increase for HUGO BOSS AG in 2013. In Europe, increases are expected in all major markets, with particularly strong growth forecasted in Eastern Europe. In the comparatively much smaller markets of Southern Europe, the effects of the sovereign debt crisis and the difficult consumer environment could lead to weaker growth rates. In the Americas, a continued positive development is anticipated, still driven primarily by the strength of the U.S. market. In Asia, the Company plans to generate stronger currency-neutral growth than in the previous year. This should be supported by a gradual improvement in growth rates in the important Chinese market. Sales in the royalties segment are also expected to develop positively.

OWN RETAIL BUSINESS REMAINS ENGINE OF SALES GROWTH

Own retail will be the main sales driver for the Group again in 2013. Own retail sales are expected to increase at a double-digit rate, mainly as a result of strong growth in directly operated stores and online business. In addition to the positive effects of the expansion of the Group’s own store network, comp store revenues are also forecasted to rise. The Group is benefiting here from further professionalization of its retail activities and the strong appeal of its brands. The acquisition of HUGO BOSS shop-in-shops previously managed by retail partners in Germany and Spain will make a moderate contribution to the sales increase in own retail. For wholesale business, a roughly stable sales development is forecasted. This forecast is based on the development of incoming orders, feedback from trading partners on the new collections, and expectations regarding the development of replenishment business.

HUGO BOSS will continue to expand its own retail activities and increase the number of directly operated stores in 2013. Based on an analysis of its global market penetration, the Company believes that there are opportunities to profitably increase its sales space in all regions. In 2013, HUGO BOSS plans in particular to tap the Russian market with its own retail business. In addition to organic new store openings, HUGO BOSS also plans to take over HUGO BOSS shop-in-shops previously managed by retail partners in Germany and Spain.

HUGO BOSS plans to increase its operating result (EBITDA before special items) in 2013. EBITDA growth is expected to exceed the increase in sales. The main drivers of this improvement in EBITDA will be the expansion and improved management of the Group's own retail business. As a result of the increasing share of this distribution channel, the gross profit margin will increase as against the previous year. Operating expenses will rise, mainly due to the further expansion of own retail activities and higher marketing expenses. Research and development costs are also expected to rise moderately. In light of the anticipated sales growth, however, the Group expects operating expenses to decrease overall in relation to sales. As a result of the EBITDA improvement before special items, net income is also forecasted to grow.

STRICT MANAGEMENT OF TRADE NET WORKING CAPITAL

Strict management of trade net working capital continues to be a high priority so as to generate improvements in operating cash flow. Particular attention is given to reducing the cash conversion cycle. Potential for improvement is seen particularly in reducing days inventories outstanding. The Company is therefore aiming to reduce days inventories outstanding, particularly in own retail, by means of more frequent renewal of the product range due to the changed collection cycle and improved planning of flows of goods. Overall, the Group expects trade net working capital to grow more slowly than Group sales in 2013.

INVESTMENT ACTIVITIES

In 2013 capital expenditure will continue to focus on expanding own retail activities and renovating existing stores and shops. Additional expenses will also be incurred in connection with the ongoing construction of a new distribution center for flat-packed goods and the construction of a new office building at the Company's headquarters. However, the Company has not yet reached a decision on how these measures will be financed, hence their accounting cannot yet be fully anticipated. Without taking into account additional expenses to be capitalized in connection with these projects, the Group's capital expenditure in 2013 will be roughly on par with the previous year's level.

CONTINUED STRONG CASH FLOW DEVELOPMENT

HUGO BOSS anticipates that cash flow will develop strongly in 2013, primarily due to the planned operating result improvement, strict management of trade net working capital, and disciplined investment activity. In addition to the dividend payment, excess funds are to be used to further reduce debt. Accordingly, the Company expects net debt at the end of the year to be lower than in the previous year. To maintain its financial flexibility, the Group plans to refinance the existing syndicated credit line with a new syndicated loan amounting to EUR 450 million. In view of its sound financial profile and its continued strong internal financing capability, the Group expects to be able to conclude the refinancing successfully and at currrent market terms.

DIVIDEND PER SHARE RISES SUBSTANTIALLY

HUGO BOSS pursues a profit-based dividend policy under which the shareholders participate appropriately in the Group's earnings development. Between 60% and 80% of consolidated net profit is to be distributed to the shareholders on a regular basis. On the basis of the significant increase in profit in the past fiscal year and the positive expectations for 2013, the Managing Board and Supervisory Board intend to propose to the Annual Shareholders' Meeting on May 16, 2013 a dividend of EUR 3.12 per ordinary share (2011: EUR 2.88 per ordinary share and EUR 2.89 per preferred share) for fiscal year 2012. The proposal corresponds to a payout ratio of 70% of consolidated net income attributable to the equity holders of the parent company in 2012 (2011: 70%). Provided the shareholders approve the proposal, the dividend will be paid out on the day following the Annual Shareholders' Meeting, i.e. on May 17, 2013. Based on the number of shares outstanding at the end of the year, the amount distributed will total EUR 216 million (2011: EUR 199 million).

AMBITIOUS MEDIUM-TERM GROWTH PLANS

The Group plans to generate significant sales and earnings increases in the medium term. The Group strategy is based on organic growth of the existing brand portfolio. Group sales are to reach EUR 3 billion in 2015. The operating result is to be increased to EUR 750 million in the same year. The Group expects to make further progress towards achieving these goals in 2014. Its sales and operating result are to be increased further. A continued recessionary economic environment, particularly in major European core markets, as well as cost inflation in the sourcing processes and loss of appeal of the Group's brands could jeopardize achievement of these goals. The Group has taken precautions to limit the probability of these or other risks occurring and the effects if they do occur. Details can be found in the Risk Report.

OVERALL STATEMENT ON THE EXPECTED DEVELOPMENT OF THE HUGO BOSS AG

In summary, the Company's net assets and financial position indicate that the HUGO BOSS AG was in a solid financial position at the time that this Management Report was prepared. .

In addition, HUGO BOSS AG management expects continued increases in sales and earnings in 2013. In its opinion, HUGO BOSS long-term strategic orientation offers additional potential for profitable growth and for the achievement of the sales and earnings targets set for 2015. HUGO BOSS AG benefits directly from that development as a supplier for group selling companies.

Metzingen, February 22, 2013
HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

FINANCIAL STATEMENTS

2

BALANCE SHEET

OF HUGO BOSS AG AS OF DECEMBER 31,2012

ASSETS

(in EUR thousand)

		Notes – No.	**12/31/2012**	12/31/2011
A.	**Fixed assets**			
I.	**Intangible assets**	(1)		
1.	For consideration industrial property rights and similar rights		35,584	39,138
2.	Goodwill		636	753
3.	Prepayments		2,917	2,564
			39,137	**42,455**
II.	**Property, plant and equipment**	(1)		
1.	Land and buildings incl. Buildings on third party land		18,443	15,075
2.	Technical equipment and machinery		1,579	1,665
3.	Other equipment, factory and office equipment		49,886	48,779
4.	Prepayments and construction in progress		11,892	2,899
			81,800	**68,418**
III.	**Financial assets**	(2)		
1.	Shares in affiliated companies		544,857	544,336
2.	Other shares		10	10
			544,867	**544,346**
			665,804	**655,219**
B.	**Current assets**			
I.	**Inventories**			
1.	Raw materials and supplies		39,969	49,418
2.	Work in progress		933	466
3.	Finished goods and merchandise		114,791	114,516
4.	Payments on account		445	1,283
			156,138	**165,683**
II.	**Receivables and other assets**	(3)		
1.	Trade receivables		21,718	16,002
2.	Receivables from affiliated companies		30,991	20,760
3.	Other assets		23,553	34,237
			76,262	**70,999**
III.	**Cash and cash equivalents**		7,008	40,448
			239,408	**277,130**
C.	**Prepaid expenses**	(4)	1,153	1,174
			906,365	**933,523**

LIABILITIES

(in EUR thousand)

		Notes – No.		12/31/2012	12/31/2011
A.	**Shareholders' equity**				
I.	**Subscribed capital**	(5)			
1.	Ordinary Stock		70,400		
	nominal amount - treasury shares of ordinary stock		(1,384)	69,016	35,331
2.	Non-voting preferred stock		0		
	nominal amount - treasury shares of preferred stock		0	0	33,685
				69,016	**69,016**
II.	**Capital reserve**	(5)		**399**	**399**
III.	**Retained earnings**	(5)			
1.	Legal reserves			6,641	6,641
2.	Other revenue reserves			200,404	127,851
				207,045	**134,492**
IV.	**Unappropriated income**	(6)		219,648	203,097
				496,108	**407,004**
B.	**Provisions**				
1.	Provisions for pensions and similar obligations	(8)		3,704	1,479
2.	Tax provisions			6,326	2,982
3.	Other provisions[1]	(9)		91,789	89,090
				101,819	**93,551**
C.	**Liabilities**	(10)			
1.	Liabilities due to banks			16,901	0
2.	Trade payables[1]			82,651	93,842
3.	Liabilities against affiliated companies			196,865	330,278
4.	Other liabilities			6,811	6,953
				303,228	**431,073**
D.	**Prepaid income**			5,210	1,895
				906,365	**933,523**

[1] Previous year's figures were adjusted.

INCOME STATEMENT

OF HUGO BOSS AG FOR THE PERIOD FROM JANUARY 1 TO DECEMBER 31, 2012

(in EUR thousand)

		Notes – No.	**2012**	2011
1.	Net sales	(13)	1,093,400	972,178
2.	Cost of Sales	(14)	(731,129)	(654,741)
3.	**Gross profit**		**362,271**	**317,437**
4.	Distribution expenses	(15)	(239,594)	(225,582)
5.	General administrative expenses	(16)	(82,424)	(76,175)
6.	Other operating income[1]	(17)	126,332	103,814
7.	Other operating expenses	(18)	(67,439)	(63,107)
8.	**Operating profit**		**99,146**	**56,387**
9.	Income from investments	(19)	97,487	79,543
10.	Other interests and similar income[1]	(20)	3,057	8,686
11.	Income from profit transfer agreements	(21)	153,275	0
12.	Losses from loss transfer agreements	(21)	0	(1,114)
13.	Interests and similar expenses	(20)	(16,392)	(16,159)
14.	**Income from ordinary activities**		**336,573**	**127,343**
15.	Income taxes	(22)	(48,246)	(38,870)
16.	Other taxes		(120)	(128)
17.	**Net income**		**288,207**	**88,345**
18.	Transfer (to) / from other revenue reserves		(72,553)	111,948
19.	Accumulated income previous year		3,994	2,804
20.	**Unappropriated income**		**219,648**	**203,097**

[1] Previous year figures were adjusted.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

OF HUGO BOSS AG FOR FISCAL YEAR 2012

GENERAL INFORMATION

The 2012 annual financial statements of Hugo Boss AG were prepared in accordance with the regulations of the Handelsgesetzbuch (HGB -- German Commercial Code) and the Aktiengesetz (AktG -- German Stock Corporation Act). Amounts are reported in thousands of euro (EUR thousand).

To ensure the clarity of the balance sheet and the income statement, comments and explanations for individual items have only been included in the notes in accordance with section 265(7) of the Handelsgesetzbuch (HGB -- German Commercial Code).

The financial statements comprise the balance sheet, the income statement and the notes.

HUGO BOSS AG prepares its income statement in line with the cost of sales format.

Owing to rounding differences it is possible that individual figures in the annual financial statements of HUGO BOSS AG do not exactly add up to the totals shown and that the percentages shown do not reflect the absolute figures to which they refer.

ACCOUNTING POLICIES

The accounting policies applied in the previous year have been maintained.

In fiscal year 2012 reporting changes in other provisions, trade payables, other operating income, other interests and related income were made, so that previous year figures were adjusted. For a detailed description refer to the section of the Notes.

FIXED ASSETS

Purchased intangible assets were capitalized at cost of acquisition and written down on a straight-line basis over an expected useful life of three to ten years. Capitalized purchased goodwill is amortized over an expected useful life of eight or 15 years. The useful lives are based on long-term tenancy agreements.

Tangible fixed assets are carried at acquisition or production cost less depreciation.

Useful lives of eight to 50 years are used for depreciation on buildings, of five to 19 years for technical equipment and machinery, five to 15 years for other equipment and three to 23 years for operating and office equipment.

Additions prior to December 31, 2007 are depreciated using the declining balance method. Additions acquired after December 31, 2007 are depreciated using the straight-line method only.

Low-value assets with an acquisition or production cost up to EUR 150 are written down in full in the year of addition. An omnibus item is recognized for low-value assets with an individual acquisition or production cost of between EUR 150 and EUR 1,000. The omnibus item is written down in profit or loss by a fifth in the year of recognition and each of the four subsequent fiscal years.

Financial assets are measured at the lower of acquisition cost or market value.

CURRENT ASSETS

Raw materials, consumables and supplied are measured at the rolling average cost of acquisition.

Work in progress and finished goods are measured at the average cost of production.

Production costs include direct and indirect material costs, manufacturing costs and special production costs. Borrowing costs are not capitalized. Any risks arising from low inventory turnover and reduced utilization are covered by appropriate write-downs.

Receivables and other assets are measured at the lower of nominal and fair value. Discernible specific risks are reflected by write-downs. A general valuation allowance appropriately covers general credit risks.

Cash and cash equivalents are measured at the lower of nominal and market value.

EQUITY

In accordance with section 272(1a) of the Handelsgesetzbuch (HGB -- German Commercial Code), own shares are deducted from subscribed capital at nominal amount on the face of the balance sheet.

PROVISIONS AND LIABILITIES

Pension provisions are calculated for accounting purposes on the basis of the projected unit credit (PUC) method. In line with the PUC method, the provision amount is defined as the actuarial present value of pension obligations earned by employees based on their past service as per the pension formula and vesting provisions. They are calculated using an interest rate of 5.05% (November 2012; October 2011: 5.13%), dynamic growth on eligible benefits of 2.50%, an adjustment of current pensions of 1.75% and the Heubeck 2005 G mortality tables. The simplification rule in accordance with section 253(2) sentence 2 of the Handeslgesetzbuch (HGB -- German Commercial Code) is used to determine the remaining term of 15 years.

The company holds assets to secure the pension benefits. These assets satisfy the requirements of the first part of section 246(2) sentence 2 of the Handelsgesetzbuch (HGB -- German Commercial Code) and can be offset against pension provisions. The assets are measured at fair value.

The other provisions cover all discernible risks and uncertain obligations. They are carried at the settlement amount determined in line with prudent business judgment (i.e. including future cost and price increases). Provisions with a remaining term of more than one year are discounted using the average market interest rate.

Liabilities are carried at settlement amount.

HEDGES

In previous years, the company has hedged currency fluctuations using forward exchange contracts or options. The transactions were usually undertaken either to secure specific customer contracts, or at least on the basis of Group-wide currency-differentiated liquidity planning.

Foreign exchange hedges were measured at market value as of the balance sheet date, but at no more than their acquisition cost if they were asset hedges.

There were no foreign exchange hedges as of the balance sheet date.

Hedges have been concluded to cover obligations to employees under the STOCK APPRECIATION RIGHTS PROGRAM.

The acquisition costs for hedging purchase options were capitalized and measured at the lower of cost or market value at the balance sheet date. The remaining obligations under STOCK APPRECIATION RIGHTS PROGRAM as at December 31, 2012 are measured at fair value in line with standard methods, which are provided by the issuing banks.

CURRENCY TRANSLATION

Foreign currency receivables and liabilities are translated using the exchange rate on the transaction date and are measured at the mean spot rate on the balance sheet date. The realization principle (second part of section 252(1) no. 1 of the Handelsgesetzbuch (HGB -- German Commercial Code) and the historical cost convention (section 253(1) sentence 1 of the Handelsgesetzbuch (HGB -- German Commercial Code) were complied with for remaining terms of more than one year.

DEFERRED TAXES

Deferred taxes are calculated for temporary differences between the accounting and tax carrying amounts of assets, prepaid expenses and deferred income and liabilities. This takes into account not just the differences in the balance sheet items of HUGO BOSS AG, but also in those of Group subsidiaries and partnerships in which HUGO BOSS AG holds interests. Deferred taxes are calculated on the basis of the combined income tax rate of the tax group, which is currently 28.0% (corporation tax, trade tax and solidarity surcharge). In deviation from this, deferred taxes from temporary accounting differences at investments with the legal form of a partnership are calculated based on a combined income tax rate including only corporation tax and the solidarity surcharge; this is currently 15.8%. Any surplus overall tax expense is carried in the balance sheet as a deferred tax liability. In the event of tax relief, the corresponding capitalization option is not exercised.

NOTES TO THE BALANCE SHEET

1 FIXED ASSETS

Changes in fixed assets in accordance with section 268(2) of the Handelsgesetzbuch (HGB – German Commercial Code) in fiscal year 2012 are shown in the statement of changes in fixed assets (annex to the notes).

The intangible assets mainly related to software. The addition of EUR 12,117 thousand (2011: EUR 15,044 thousand) essentially arose from investments in software that resulted in a further improvement and structuring of processes in the company.

The additions to tangible assets in the amount of EUR 26,936 thousand (2011: EUR 12.896 thousand) result from investments in land and buildings at the Metzingen location and in the expansion of the retail network in Germany and Austria by opening seven new locations.

The disposals largely resulted from the disposal of showroom furniture and computer systems.

The depreciation and amortization do not include any write-downs or impairment losses (2011: EUR 0 thousand).

2 SHAREHOLDINGS OF HUGO BOSS AG

The shareholdings of HUGO BOSS AG are shown on the following pages.

All direct and indirect equity investments of HUGO BOSS AG are listed in the notes.

HUGO BOSS AG either directly or indirectly holds 100% of capital in the in the companies shown below in the list of holdings. The only exceptions are the investments in BIL Leasing Verwaltungs-GmbH & Co. 869 KG, ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG and ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG. HUGO BOSS AG holds 94.0% of the capital in each of these companies.

HUGO BOSS AG has a joint venture, HUGO BOSS Lotus Hong Kong Ltd, together with the Rainbow Group, a long-term franchise partner in China. HUGO BOSS AG indirectly holds 60% of the shares in this company. In turn, HUGO BOSS Lotus Hong Kong Ltd. holds all shares in Lotus Concept Trading (Macau) Co., Ltd., Macao, and Lotus (Shenzhen) Commerce Ltd., Shenzhen, China.

SHAREHOLDINGS OF HUGO BOSS AG IN ACCORDANCE WITH SECTION 285 NO. 11 OF THE HANDELSGESETZBUCH (HGB - GERMAN COMMERCIAL CODE)

Unless stated otherwise, the interest in capital amounts to 100%.

(in EUR thousand)

Company
HUGO BOSS Holding Netherlands B.V.
HUGO BOSS Internationale Beteiligungs-GmbH [1,4]
HUGO BOSS International B.V.
HUGO BOSS Ticino S.A.
HUGO BOSS USA, Inc.[3]
Lotus (Shenzhen) Commerce Ltd.[5]
HUGO BOSS Benelux B.V.
HUGO BOSS Hong Kong Ltd.[5]
HUGO BOSS International Markets AG
HUGO BOSS Lotus Hong Kong Ltd.
HUGO BOSS UK Limited
HUGO BOSS Textile Industry Ltd.
HUGO BOSS Trade Mark Management GmbH & Co. KG[1]
HUGO BOSS France SAS
HUGO BOSS Canada, Inc.
HUGO BOSS China Retail Co. Ltd.
HUGO BOSS Italia S.p.A.
HUGO BOSS Holdings Pty. Ltd.
HUGO BOSS Benelux B.V. CIA, S.C
HUGO BOSS Mexico S.A. de C.V.[1]
HUGO BOSS Australia Pty. Ltd.
Lotus Concept Trading (Macau) Co., Ltd.[5]
HUGO BOSS Shoes & Accessories Italia S.p.A.
HUGO BOSS Nordic ApS
HUGO BOSS Switzerland Retail AG
HUGO BOSS (Schweiz) AG
HUGO BOSS Belgium BVBA
HUGO BOSS do Brasil Ltda.
HUGO BOSS Belgium Retail BVBA[1]
HUGO BOSS Benelux Retail B.V.
HUGO BOSS Guangdong Trading Co. Ltd.
HUGO BOSS Ireland Limited
HUGO BOSS Dienstleistungs GmbH[1]
MSC Poland Sp.z.o.o.
HUGO BOSS Holding Sourcing S.A.
HUGO BOSS Mexico Management Services S.A. de C.V.[1]
HUGO BOSS Scandinavia AB
HUGO BOSS Vermögensverwaltungs GmbH & Co. KG[1]
HUGO BOSS Trade Mark Management Verwaltungs-GmbH

[1] Directly affiliated to HUGO BOSS AG.
[2] Investments with an equity share of 94%.
[3] Subgroup financial statement.
[4] Companies with a profit transfer agreement with HUGO BOSS AG.
[5] Investments with a direct and indirect equity share of 60%.

Registered Office	Profit 2012	Equity 2012
Amsterdam, Netherlands	147,109	650,471
Metzingen, Germany	0	524,800
Amsterdam, Netherlands	113,806	419,391
Coldrerio, Switzerland	72,709	96,000
New York, NY, USA	31,047	94,939
Shenzhen, China	6,135	49,299
Amsterdam, Netherlands	17,319	40,867
Hong Kong	14,452	40,342
Zug, Switzerland	30,811	40,197
Hong Kong	7,014	34,621
London, Great Britain	14,559	32,821
Izmir, Turkey	1,333	30,011
Metzingen, Germany	98,817	28,026
Paris, France	10,339	27,585
Toronto, Canada	4,996	24,592
Shanghai, China	3,224	15,014
Milan, Italy	1,541	13,786
Preston, Australia	0	12,363
Madrid, Spain	5,472	12,015
Mexiko-City, Mexico	2,687	8,881
Preston, Australia	(4,244)	6,889
Macao	5,164	6,216
Morrovalle, Italy	156	5,991
Copenhagen, Denmark	3,283	5,201
Zurich, Switzerland	(835)	4,369
Zug, Switzerland	3,759	3,974
Diegem, Belgium	1,101	3,633
São Paulo, Brazil	476	2,954
Diegem, Belgium	(380)	2,927
Amsterdam, Netherlands	541	2,854
Guangzhou, China	130	2,350
Dublin, Ireland	1,262	2,185
Metzingen, Germany	17	1,403
Radom, Poland	63	1,302
Coldrerio, Switzerland	569	1,151
Mexiko-City, Mexico	168	805
Stockholm, Sweden	(578)	566
Metzingen, Germany	282	257
Metzingen, Germany	1	34

(in EUR thousand)

Company
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Dieselstraße KG [1,2]
HUGO BOSS Beteiligungsgesellschaft mbH [1,4]
HUGO BOSS Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG[1]
HUGO BOSS Rus LLC[1]
HUGO BOSS Magazacilik Ltd. Sti.
GRAMOLERA Grundstücks-Vermietungsgesellschaft Objekt Ticino mbH
HUGO BOSS Hellas LLC
ROSATA Grundstücks-Vermietungsgesellschaft mbH & Co. Objekt Metzingen KG [1,2]
HUGO BOSS Portugal & Companhia
BIL Leasing Verwaltungs-GmbH & Co. 869 KG [1,2]
HUGO BOSS Japan K.K.

[1] Directly affiliated to HUGO BOSS AG.
[2] Investments with an equity share of 94%.
[3] Subgroup financial statement.
[4] Companies with a profit transfer agreement with HUGO BOSS AG.
[5] Investments with a direct and indirect equity share of 60%.

	Profit	Equity
Registered Office	2012	2012
Grünwald, Germany	56	(75)
Metzingen, Germany	0	(116)
Metzingen, Germany	(142)	(118)
Moscow, Russia	(29)	(962)
Izmir, Turkey	(504)	(1,035)
Metzingen, Germany	151	(1,096)
Athens, Greece	(1,005)	(1,225)
Grünwald, Germany	(1,972)	(4,557)
Lisbon, Portugal	(1,316)	(6,271)
Pullach, Germany	(527)	(7,323)
Tokyo, Japan	(512)	(34,219)

3 RECEIVABLES AND OTHER ASSETS

(in EUR thousand)

Presentation according to remaining terms	**With a remaining term of**			
2012	**up to 1 year**	**from 1 to 5 years**	**of more than 5 years**	**Total**
Trade receivables	21,718	-	-	21,718
Receivables from affiliated companies	30,991	-	-	30,991
Other assets	20,890	2,079	584	23,553
	73,599	**2,079**	**584**	**76,262**

Presentation according to remaining terms	With a remaining term of			
2011	up to 1 year	from 1 to 5 years	of more than 5 years	Total
Trade receivables	16,002	-	-	16,002
Receivables from affiliated companies	20,760	-	-	20,760
Other assets	31,388	2,122	727	34,237
	68,150	**2,122**	**727**	**70,999**

EUR 19,233 thousand (2011: EUR 12,061 thousand) of receivables from affiliated companies relate to loans, the rest to trade receivables. The increase is essentially due to higher trade receivables with subsidiaries.

As of December 31, 2012, other assets essentially include bonus receivables from suppliers (EUR 9,599 thousand; 2011: EUR 10,256 thousand), call options to secure stock appreciation rights (EUR 703 thousand; 2011: EUR 3,435 thousand), income tax receivables (EUR 4,200 thousand; 2011: EUR 8,234 thousand) and receivables from value added tax (EUR 3,845 thousand; 2011: EUR 7,226 thousand).

4 PREPAID EXPENSES

Prepaid expenses mainly relate to IT maintenance agreements and tenancy agreements.

5 EQUITY

SUBSCRIBED CAPITAL

As of December 31, 2012, the subscribed capital of HUGO BOSS AG amounted to EUR 69,016 thousand in total (2011: EUR 69,016 thousand). Shares without a par value have a nominal value of EUR 1.The subscribed capital breaks down as follows:

(in EUR thousand)

	12/31/2012	12/31/2011
bearer ordinary shares	70,400	35,860
treasury shares, bearer ordinary shares	(1,384)	(529)
non-voting bearer preferred shares[1]	0	34,540
treasury shares, non-voting bearer oreferred shares	0	(855)
	69,016	**69,016**

[1] Preferred shares were converted into ordinary shares on June 15, 2012 after the close of stock market trading.

AUTHORIZED CAPITAL

The Managing Board of HUGO BOSS AG has authorized capital of EUR 35,200,000 at its disposal until May 13, 2014, subject to the approval of the Supervisory Board. The authorized capital entitles the Managing Board to increase share capital on one or several occasions by issuing new registered ordinary shares and/or non-voting registered preferred shares, which are equal to the non-voting registered preferred shares already issued.

CAPITAL RESERVES

The capital reserves contain the share premium received on the issuance of shares and are reported in accordance with section 272(2) no. 1 of the Handelsgesetzbuch (HGB -- German Commercial Code). It remains unchanged at EUR 399 thousand. In fiscal year 2012 no additions or withdrawls were done.

RETAINED EARNINGS

Retained earnings balance developed as follows:

(in EUR thousand)

Position as at December 31, 2011	**127,851**
Transfers into other revenue reserves in accordance with the Managing and Supervising board resolution	72,553
Position as at December 31, 2012	**200,404**

OWN SHARES

The company held 1,383,833 own shares on December 31, 2012. These account for EUR 1,384 thousand of the subscribed capital (2011: EUR 1,384 thousand) (1.97%). These own shares include 855,278 former preferred shares, which were converted into ordinary shares on June 15, 2012. The nominal amount was deducted from subscribed capital on the face of the balance sheet. The difference of EUR 30,300 thousand between the nominal value of the own shares and the carrying amount reported as of December 31, 2009 was offset against revenue reserves in 2010.

The own shares were purchased in the years between 2004 and 2007:

Purchase date	Number of common shares in units	Number of preferred shares in units
03/2004	35,966	0
05/2004	36,280	0
06/2004	11,513	0
07/2004	40,506	0
02/2005	12,992	0
03/2005	34,794	1,000
04/2005	84,000	82,467
10/2005	21,700	153,700
05/2006	0	210,200
06/2006	79,700	0
07/2006	158,628	0
08/2006	0	20,021
09/2006	9,976	110,084
01/2007	0	94,411
02/2007	2,500	183,395
06/2012	855,278	(855,278)
12/31/12	**1,383,833**	**0**

The historical cost of the own shares was EUR 42,362 thousand.

The Annual Shareholders' Meeting on June 21, 2010 resolved to authorize the Managing Board to acquire registered ordinary shares and non-voting registered preferred shares of the company up to a total of 10% of the current share capital until June 20, 2015.

No further own shares were bought or sold in fiscal year 2012.

There are no specific plans to exercise this authorization at present.

6 UNAPPROPRIATED INCOME

(in EUR thousand)

Distributable profit as at December 31, 2011	203,097
Profit distribution for 2011	199,103
Accumulated income	3,994
Net income 2012	288,207
Transfer to / from other revenue reserves	-72,553
Distributable profit as at December 31, 2012	**219,648**

7 DISCLOSURES ON NON-DISTRIBUTABLE AMOUNTS

As in the previous year, there were no amounts blocked from distribution within the meaning of section 268(8) of the Handelsgesetzbuch (HGB -- German Commercial Code).

8 PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

Obligations under pension commitments are covered in part by qualifying insurance policies (plan assets). The benefits from the insurance policies serve solely to meet the respective pension obligations and are withdrawn from access by other creditors through pledging.

The fair value of the reinsurance claim consists of the insurance company's reserves detailed in the business plan plus any available credit balance from the refund of premiums (so-called profit participation).

(in EUR thousand)

	12/31/2012	12/31/2011
Settlement amount of pensions and similar obligations	56,654	54,128
Fair value of reinsurance	52,950	52,649
Net value of pensions and silmilar obligations	3,704	1,479
Historical cost of invested assets in reinsturance	52,950	52,649

Income resulting from the cover assets and the interest expenses from corresponding settlement amounts from the provisions for pensions in fiscal year 2012 are shown below:

(in EUR thousand)

	2012	2011
Income from fund assets	1,098	1,771
Interest expenses for correspon-ding provisions for pension	1,965	2,359
Netted interest expenses	**867**	**588**

The balance amounting to 867 TEUR is shown in interest expenses.

9 OTHER PROVISIONS

(in EUR thousand)

	12/31/2012	12/31/2011
Personnel expenses	41,749	39,416
Outstanding invoices	17,484	20,001
Other reserves	32,556	29,673
	91,789	**89,090**

The provisions for personnel expenses predominantly relate to provisions for profit sharing and bonuses, severance claims, partial early retirement and the settlement of the stock appreciation rights.

From fiscal year 2012, outstanding invoices for which the amount and due date are clearly known will no longer be reported in other provisions for outstanding invoices; they will instead be reported in trade payables. Previous year figures were adjusted by EUR 16,357 thousand.

Miscellaneous provisions mainly relate to returned merchandise, pending litigation and provisions for other risks. Sufficient provisions were recognized for ongoing litigation.

10 LIABILITIES

(in EUR thousand)

Presentation according to remaining terms	With a remaining term of			
2012	**up to 1 year**	**from 1 to 5 years**	**of more than 5 years**	**Total**
Due to financial institutions	-	-	16,901	16,901
Trade payables	82,651	-	-	82,651
Due to affiliated companies	196,865	-	-	196,865
Other Liabilities	3,980	-	2,831	6,811
	283,496	**-**	**19,732**	**303,228**

Presentation according to remaining terms	With a remaining term of			
2011	up to 1 year	from 1 to 5 years	of more than 5 years	Total
Due to financial institutions	-	-	-	-
Trade payables	93,842	-	-	93,842
Due to affiliated companies	330,278	-	-	330,278
Other Liabilities	4,047	-	2,906	6,953
	428,167	**-**	**2,906**	**431,073**

The usual reservations of title apply to the trade payables the purchase of raw materials, consumables and supplies and merchandise.

EUR 196,553 thousand (2011: EUR 328,959 thousand) of liabilities to affiliated companies relate to loans, the rest to trade payables.

EUR 16,895 thousand liabilities were recognized as collateral as of December 31, 2012.

BREAKDOWN OF OTHER LIABILITIES

(in EUR thousand)

	12/31/2012	12/31/2011
Taxes	3,093	3,246
Social security	2,831	2,920
Other	887	787
	6,811	**6,953**

11 CONTINGENT LIABILITIES

(in EUR thousand)

	12/31/2012	12/31/2011
Contingent liabilities from guarantees	327,784	328,485
thereof affiliated companies	(327,784)	(328,485)
Contingent liabilities from the provision of collateral for third party liabilities	9,577	9,945
thereof affiliated companies	(9,577)	(9,945)
	337,361	**338,430**

Guarantees and collateral for third-party liabilities have only been provided for the benefit of subsidiaries. According to our information, the underlying obligations can be met by the companies in question in all cases. It is therefore not currently expected that the above contingent liabilities will be utilized.

12 DEFERRED TAXES

Corporation tax, trade tax, the solidarity surcharge and income taxes charged abroad (e.g. eligible withholding tax) are reported as income tax expenses.

In total there was future tax relief from temporary differences between the accounting and tax carrying amounts of assets, prepaid expenses and deferred income and liabilities – taking into account not just HUGO BOSS AG but also the companies and partnerships in the same tax group in which HUGO BOSS AG holds interests – of EUR 11,789 thousand (2011: EUR 10,024 thousand) as of December 31, 2012. This amount was calculated on the basis of a combined income tax rate of 28.0% (HUGO BOSS AG and tax group companies) and 15.83% (investments with the legal form of a partnership).

Deferred tax liabilities are primarily the result of different carrying amounts in fixed assets. The differences between the provisions for pensions and the plan assets to be netted off result in deferred tax assets. Additional deferred assets result from provisions that are not eligible for tax purposes. Overall, there was a total deferred tax asset surplus of EUR 11,789 thousand (2011: EUR 10,024 thousand). Deferred tax assets have not been recognized in accordance with the option of section 274(1) sentence 2 of the Handeslgesetzbuch (HGB -- German Commercial Code).

Deferred taxes are not included in tax expenses.

NOTES TO THE INCOME STATEMENT

13 SALES

(in EUR thousand)

	BOSS		HUGO		Total	
	2012	2011	**2012**	2011	**2012**	2011
Europe[1]	717,471[2]	652,384	103,100	91,864	820,571	744,248
Americas	159,897[3]	126,759	13,901	9,984	173,798	136,743
Asia/Pacific	96,516[4]	89,431	2,515	1,756	99,031	91,187
	973,884	**868,574**	**119,516**	**103,604**	**1,093,400**	**972,178**

[1] Including Middle East and Africa.
[2] thereof BOSS - Black 73 %, Orange 17 %, Green 7 %, Selection 3 %.
[3] thereof BOSS - Black 82 %, Orange 7 %, Green 9 %, Selection 2 %.
[4] thereof BOSS - Black 69 %, Orange 8 %, Green 9 %, Selection 14 %.

14 COST OF SALES

The cost of sales essentially consists of cost of materials, freight costs and license fees.

15 SELLING EXPENSES

Selling expenses break down as follows:

(in EUR thousand)

	2012	2011
Marketing Costs	55,509	58,562
Costs of indirect sales organization	66,253	54,647
Costs for own retail	38,106	37,663
Costs for storage and procurement	79,726	74,710
	239,594	225,582

16 GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses costs mainly result from personnel expenses, space rental, leasing costs, depreciation and amortization and various IT expenses.

17 OTHER OPERATING INCOME

(in EUR thousand)

	2012	2011
Other operating income	126,332	103,814
thereof from FX effects	(2,546)	(4,289)
thereof out of period income	(4,279)	(2,424)

Other operating income mainly comprises income from charging costs and services to affiliated companies.

From fiscal year 2012, the income from call options, which were classified as hedges, should be disclosed under other operating income. In the previous year, they were included in the interest and similar incomes. Previous year figures were accordingly adjusted by EUR 1,435 thousand.

The prior-period income essentially relates to the reversal of provisions in the amount of EUR 4,244 thousand (2011: EUR 2,348 thousand).

18 OTHER OPERATING EXPENSES

(in EUR thousand)

	2012	2011
Other operating expenses	67,439	63,107
thereof from FX effects	(2,237)	(5,864)
thereof out of period expenses	(182)	(464)

Other operating expenses mainly consist of write-downs on receivables, foreign currency effects and research and development expenses.

The prior-period expenses are due to losses from selling and scrapping fixed assets.

19 INCOME FROM EQUITY INVESTMENTS

Income from equity investments primarily relates to the net income for the year of HUGO BOSS Trade Mark Management GmbH & Co. KG, Metzingen, in the amount of EUR 97,487 thousand (2011: EUR 79,543 thousand), which is credited to the loan account of its limited partner HUGO BOSS AG and withdrawn as per company agreement regulations.

20 OTHER INTEREST AND SIMILAR INCOME/INTERESTS AND SIMILAR EXPENSES

Other interest and similar income contains income from discounting provisions in the amount of EUR 370 thousand (2011: EUR 356 thousand). Interest and similar expenses include expenses from discounting provisions in the amount of EUR 396 thousand (2011: EUR 811 thousand).

Interests and similar expenses contain the expenses from discounting of provisions in the amount of EUR 1,035 thousand (2011: EUR 765 thousand). In the total amount of interests and similar expenses, EUR 14,970 thousand (2011: EUR 15,049 thousand) from affiliated companies were included.

21 INCOME FROM PROFIT TRANSFERS/ COST OF LOSS ABSORPTION

There are control and profit transfer agreements with the subsidiaries HUGO BOSS Beteiligungsgesellschaft mbH, Metzingen and HUGO BOSS Internationale Beteiligungs-GmbH, Metzingen.

22 TAXES ON INCOME

Taxes on income relate solely to the result from ordinary activities.

(in EUR thousand)

	2012	2011
Total	48,246	38,870
thereof out of period expenses	(778)	(2,912)

ADDITIONAL NOTES TO THE INCOME STATEMENT ON ACCOUNT OF THE USE OF THE COST OF SALES FORMAT

COST OF MATERIALS

(in EUR thousand)

	2012	2011
Cost of raw materials, consumables and supplies	426,781	457,924
Cost of services purchased	68,362	91,797
Cost of materials	**495,143**	**549,721**

PERSONNEL EXPENSES

(in EUR thousand)

	2012	2011
Wages and salaries	155,713	132,312
Social security and other pension costs	23,798	21,254
thereof for pensions	(1,988)	(1,306)
Personnel expenses	**179,511**	**153,566**

ADDITIONAL INFORMATION

EMPLOYEE NUMBERS

Average number of employees:

	2012	2011
Industrial employees	832	803
Commercial and administrative employees	1,908	1,754
	2,740	**2,557**

FOREIGN CURRENCY HEDGES

There were no currency hedges as of December 31, 2012.

HEDGES FOR OBLIGATIONS FOR THE STOCK APPRECIATION RIGHTS PROGRAM (SAR)

In order to limit the risk arising from share price fluctuations in connection with the STOCK APPRECIATION RIGHTS PROGRAM (SAR), and hence the potential impact on the cash flow and earnings of HUGO BOSS AG, a corresponding hedging program was resolved in late 2007 to come into force from fiscal 2008.

Under the STOCK APPRECIATION RIGHTS PROGRAM, executives of HUGO BOSS AG and its subsidiaries are granted a certain number of participation rights, through which they can benefit from any increase in the value of the company's shares. The participation rights grant a claim to cash settlement only, not to HUGO BOSS AG shares.

The following call options were in place as of December 31, 2012:

(in EUR thousand)

	2012	
	Nominal value	**Market value**
Call option (SAR-hedge)	702	2,920
	2011	
	Nominal value	Market value
Call option (SAR-hedge)	3,435	7,926

The acquisition cost of the call options acquired for hedging are capitalized under other assets and measured at the lower of cost or market value on the balance sheet date. Profits are only recognized when they are realized.

1. Program change in 2009

In December 2009, the management of HUGO BOSS AG resolved to revise the conditions of the STOCK APPRECIATION RIGHTS PROGRAM in order to avoid additional expenditure for hedging instruments. Effective December 14, 2009, all eligible executives were therefore offered the following change in the program:

1 / Waiver of participation rights and all rights to tranches issued in the years from 2005 to 2008 against compensation payment

2 / Adjustment of the exercise conditions of the tranche issued in 2009

The compensation payment for the waiver of the rights to tranches 5 to 8 corresponded to the sum of the option value of each tranche multiplied by the number of participation rights. The relevant option values were determined by external banks on behalf of HUGO BOSS AG using a standard valuation model on December 14, 2009. The reference value used for the share price was the unweighted average of the closing price of preferred shares of HUGO BOSS AG in Xetra trading on the Frankfurt stock exchange on the five trading days immediately preceding December 14, 2009.

To limit the effects arising from extraordinary, unforeseen share price movements in either direction, both the minimum and the maximum gain possible per option exercised for the participation rights of tranche 9 were defined in the program change. This called for the compensation to be granted to be at least equal to the difference between the price calculated for a preferred share on the basis of HUGO BOSS AG's market capitalization in the last five trading days immediately preceding December 14, 2009 and the strike price of preferred shares upon issue, but not more than EUR 33.20. In addition, the program change allowed eligible parties to exercise up to a third of the participation rights of tranche 9 early before the end of the vesting period, effective December 14, 2009. The first time this was possible was December 14, 2009. In this case, the exercise gain corresponded to the minimum compensation defined above of EUR 11.77.

The program change permitted the extension of the holding period to three years, ending on December 31, 2011 (two years before the program change), with the exercise period being reduced correspondingly to two years, ending on December 14, 2013 (three-year exercise period before the program change). The overall term of tranche 9 issued in fiscal 2009 remained unchanged at five years.

Following a continuous increase in the share price, the maximum gain possible per option exercised for the participation rights of tranche 9 was already exceeded in October 2010. Under the program modified in 2009, tranche 9 could be exercised in full for the first time starting from the beginning of 2012.

2. Early termination of tranche 9

As the STOCK APPRECIATION RIGHTS PROGRAM causes considerable administrative expense in both the HR department and the Finance department of the HUGO BOSS Group, the management of HUGO BOSS AG resolved to terminate tranche 9 early and offered all holders of participation rights in tranche 9 a payout of the maximum gain possible per share exercised as of December 15, 2010. The early termination of the program does not result in any additional expenses provided the share price is also EUR 45.00 or higher at the end of 2011. The expenses from the pro rata additions to the provision for tranche 9 from 2011 are merely brought forward to 2010.

As of December 31, 2010, the price for preferred shares was EUR 56.50, significantly higher than the share price required for the maximum gain on exercise EUR 45.00.

Participation rights for tranche 8 that are still held can still be exercised after the program change in 2010 under the regulations governing the original option conditions.

3: Framework of STOCK APPRECIATION RIGHTS PROGRAM

With the exception of the terminated tranche 9, the remaining tranches of the stock appreciation rights program have six-year terms. The four-year exercise period begins after the initial lock-up period of two years. Participation rights for tranches 5 to 8 that were still held could still be exercised after the program change in 2009 under the regulations governing the original option conditions. If growth in HUGO BOSS AG market capitalization exceeds MDAX growth by five percentage points (exercise hurdle) at the end of the lock-up period or during the subsequent exercise period, participation rights in tranches 7 and 8 can be exercised.

The compensation to be paid corresponds to the difference between the market capitalization as reflected in the average price of a HUGO BOSS AG preferred share on the five trading days preceding the date of exercise and the strike price of the preferred share in line with the conditions. The strike price corresponds to the average price of HUGO BOSS AG preferred shares on the 20 trading days preceding the date of issue.

In order to limit the risk arising from share price fluctuations in connection with the STOCK APPRECIATION RIGHTS PROGRAM (SAR), and hence the potential impact on the cash flow and earnings of HUGO BOSS AG, a corresponding hedging program was resolved in late 2007 to come into force from fiscal year 2008. Under the terms of this program, HUGO BOSS AG acquired term-equivalent U.S. call options for HUGO BOSS preferred shares from independent banks in the first quarter of fiscal year 2008. The subscription right is 1:1, i.e. each option corresponds to one preferred share. The total investment volume was just under EUR 33 million.

If the corresponding call options are sold back to the issuing bank when the stock option rights are exercised by employees, the outflow of funds from the exercise of stock option rights is offset by an inflow of funds from the sale of the call options.

The obligations arising from the stock option rights for HUGO BOSS AG, which are recognized in the form of corresponding provisions, and the call options used for hedging are generally recognized in income at their fair value at the respective reporting dates.

The changes resulting from measurement at fair value are reported under other operating expenses or income respectively if they relate to HUGO BOSS AG employees. As of the balance sheet date, there were no longer any call options for hedging obligations to employees of other HUGO BOSS group companies.

Off-balance sheet transactions in accordance with section 285 no. 3 of the Handelsgesetzbuch (HGB -- German Commercial Code)

HUGO BOSS uses not just its own land and buildings, but is also a tenant for several other buildings and the associated land. This use is based on real estate lease agreements (operating leases). This helps to reduce capital commitment and leaves the investment risk with the lessor. The leases have remaining terms of ten to 14 years. The leases result in an annual lease expense of currently EUR 6,107 thousand. The lease payments are shown in the list of other financial commitments in accordance with section 285 no. 3a of the Handelsgesetzbuch (HGB -- German Commercial Code). These real estate lease agreements contain buyback options for the respective properties.

OTHER FINANCIAL LIABILITIES UNDER SECTION 285 NO. 3A OF THE HANDELSGESETZBUCH (HGB – GERMAN COMMERCIAL CODE)

2012		**Tenancy and leasing contracts**			**thereof affiliated companies**	
(in EUR thousand)	**Total**	**Buildings/ real estate**	**Hardware/ software**	**Other contracts**	**Buildings Leasing**	**Other contracts**
Due 2013	35,975	26,401	8,014	1,560	5,136	-
Due 2014-2017	91,925	85,814	5,267	844	16,869	-
Due after 2017	92,795	92,795	-	-	30,497	-
	220,695	**205,010**	**13,281**	**2,404**	**52,502**	**-**
Obligation from investments initiated during the year under review, due in 2013 and 2014	7,529					

2011		Tenancy and leasing contracts			thereof affiliated companies	
(in EUR thousand)	Total	Buildings/ real estate	Hardware/ software	Other contracts	Buildings Leasing	Other contracts
Due 2012	31,445	22,792	7,391	1,262	4,540	-
Due 2013-2016	75,137	72,088	2,691	358	14,484	-
Due after 2016	83,586	83,586	-	-	28,168	-
	190,168	**178,466**	**10,082**	**1,620**	**47,192**	**-**
Obligation from investments initiated during the year under review, due in 2012 and 2013	2,898					

These values are the nominal amounts, i.e. not discounted amounts.

COMPENSATION OF THE MANAGING BOARD AND THE SUPERVISORY BOARD

Members of the Supervisory Board and the Managing Board are listed on pages 120 to 121.

COMPENSATION OF THE MEMBERS OF THE MANAGING BOARD

On the basis of a resolution passed by the Annual Shareholders' Meeting of June 21, 2010, the individual compensation of the members of the Managing Board has not been disclosed. The information required in section 285 sentence 1 no. 9 a) sentence 1 to 4 of the Handelsgesetzbuch (HGB -- GermanCommercial Code) will not be disclosed for five years. This resolution applies to the fiscal year that began on January 1, 2010 and the four subsequent fiscal years, namely until December 31, 2014. Their remuneration is therefore reported as a total figure, but broken down into the individual remuneration components.

The total compensation of the members of the Managing Board in accordance with section 285 sentence 1 no. 9 a) sentence 1 to 4 of the Handelsgesetzbuch (HGB -- German Commercial Code) amounted to EUR 7,053 thousand in fiscal 2012 (previous year: EUR 5,348 thousand). EUR 3,303 thousand of this related to the fixed salary components including additional benefits (2011: EUR 2,873 thousand) while the bonus for the 2010-2012 three-year period amounted to EUR 3,750 thousand (2011: EUR 2,475 thousand).

The members of the Managing Board were not granted any loans in fiscal year 2012, nor were contingent liabilities entered into for the benefit of these persons.

COMPENSATION OF FORMER MANAGING BOARD MEMBERS

Former members of the Managing Board and their surviving dependents received total compensation of EUR 15,226 thousand (2011: EUR 10,202 thousand) in 2012. This includes post-employment benefits for Managing Board members and payments relating to the exercise of outstanding participation rights from the stock appreciation rights program in the amount of EUR 15,035 thousand (2011: EUR 10,016 thousand). The sale of the call options held to secure participation rights did not result in any additional cash outflow for the Group.

Provisions for pensions obligations for former members of the Managing Board and their surviving dependents was made in the amount of EUR 17,795 thousand (2011: EUR 17,178 thousand). After netting against the reinsurance policy qualifying as plan assets, these amounted to EUR 17.101 thousand (2011: EUR 16,813 thousand).

Former members of the Managing Board hold 68,760 participation rights (2011: 117,520) from the tranches of the stock appreciation rights program issued in the fiscal years 2001 to 2009. The fair value of the participation rights of tranche 8 outstanding on the balance sheet date was EUR 2,967 thousand (December 31, 2011: EUR 2,871 thousand). At the time they were granted, the options had a fair value of EUR 0 thousand. As a result of the 1:1 hedging of the participation rights with call options, the earnings effects of the changes in the fair values of the participation rights and the call options offset each other almost completely.

COMPENSATION OF THE SUPERVISORY BOARD

The Supervisory Board received total compensation of EUR 1,956 thousand for its services in 2011. For fiscal 2012, total remuneration is expected to amount to EUR 2,014 thousand, including a provision for the variable component of EUR 1,259 thousand (2011: EUR 1,156 thousand), calculated on the basis of earnings per share in the consolidated financial statements.

In total, the members of the Managing Board and the Supervisory Board hold less than 1% (2011: less than 1%) of the shares issued by HUGO BOSS AG.

The information in accordance with section 285 sentence 1 no. 9 a) sentence 5 to 9 of the Handelsgesetzbuch (HGB -- German Commercial Code) can be found in the remuneration report in the management report on pages 41.

MANAGEMENT PARTICIPATION PROGRAM

As part of the Management Participation Program (MPP) introduced in 2008, members of the Managing Board and second-tier executives were given the opportunity to invest indirectly in Red & Black TopCo S.à r.l. by way of a payment. Since the restructuring at the end of 2009, through Red & Black Lux S.à r.l., Red & Black TopCo S.à r.l. directly holds 100% of shares in Valentino Fashion Group S.p.A. in addition to its indirect investment in HUGO BOSS AG. In addition to the indirect investment in HUGO BOSS, the management of HUGO BOSS AG holds interests not just in the HUGO BOSS Group, but also in other companies of the Valentino Fashion Group not controlled or influenced by HUGO BOSS.

The indirect investment in Red & Black TopCo S.à r.l. is through a German limited partnership with Red & Black Management Beteiligungs GmbH & Co. KG (MPP KG). MPP KG has an interest of 0.07% in the voting capital of Red & Black TopCo S.à r.l. and therefore holds so-called class D shares. The company agreement was signed for an indefinite period of time, but at least until the end of 2024. The legal status of MPP KG managers is regulated in the company agreement. The maximum investment in MPP KG is determined individually. The managers are registered in the commercial register as limited partners of MPP KG.

At the end of 2010, the MPP for managers already participating (old managers) was modified and managers who were not yet participating “new managers” were again offered an investment in MPP KG.

The new managers acquired shares in the MPP KG limited partnership in December 2010 at the current market value. The old managers continue to hold the shares in MPP KG that they acquired already in 2008. Shares in MPP KG held by the old managers are neither exchanged nor sold.

Following the restructuring of the MPP in the event of an IPO or sale of the HUGO BOSS Group (exit), the management of HUGO BOSS is to participate only in the exit profits attributable to HUGO BOSS (HB AG profits) via MPP KG. All profits and costs attributable to the Valentino Fashion Group S.p.A. are neutralized when calculating the HB AG profits. The participation right in these HB AG profits accrues pro rata over a multi-year vesting period ending on December 31, 2014.

As part of the modification of the MPP, the subordination to individual financing instruments and the ratchet of these class D shares no longer apply. The restructuring with regard to the Articles of Association created liquidation preferences. These give priority for certain capital before distribution of the HB AG profits to the limited partners and create financial compensation for the investors for the decline in value of the class D shares as against the current market value which has since occurred.

If MPP shares attributable to a manager are sold as part of an exit, the manager is entitled to a pro rata amount of the HB AG profits generated after deduction of liabilities and liquidation preferences. The manager's entitlement to the payout of his portion of the remaining sales proceeds is linked to the manager in question not having left the HUGO BOSS Group at the time of the exit. Limits on the entitlement to payouts of the pro-rata portion of sales proceeds only exist for managers who leave the company before an exit. If a manager leaves the company before the exit, Red & Black TopCo S.à r.l. has the right to acquire the shares held by the manager in question. The manager leaving is qualified as a "good leaver" or "bad leaver" when the determining the acquisition price.

As shareholders of the Red & Black TopCo S.à r.l., the members of the Managing Board and executives are entitled to receive future sales proceeds from exit events and profit distributions. Under the circumstances described, HUGO BOSS will not incur any personnel expenses in profit or loss.

As in the previous year, the MPP did not influence the profit or loss for the period of the HUGO BOSS Group in fiscal year 2012, as no transactions that would have needed to be measured at fair value have been carried out since the MPP was established. No assets or liabilities were recognized as a result of the MPP on December 31, 2011 or the balance sheet date.

THE GERMAN CORPORATE GOVERNANCE CODE

The Managing and Supervisory Board of HUGO BOSS AG submitted the declaration of compliance prescribed by section 161 AktG in December 2012. It is permanently available to shareholders on the company's website.

AUDITOR'S FEES

In accordance with section 285 no. 17 of the Handelsgesetzbuch (HGB – German Commercial Code), this has not been disclosed here as this information can be found in the consolidated financial statements of HUGO BOSS AG.

GROUP AFFILIATION

HUGO BOSS AG, Metzingen, and Red & Black Holding GmbH, Oberursel (Taunus), are affiliated companies of Permira Holdings Limited, Guernsey (ultimate parent company), and its direct and indirect subsidiaries.

The company is included in the consolidated financial statements of HUGO BOSS AG, Metzingen (smallest consolidated group), and Red & Black Holding GmbH, Oberursel (Taunus) (biggest consolidated group).

These consolidated financial statements are available at the registered offices of the respective companies and are also published in the electronic Federal Gazette.

DIVIDEND AND APPROPRIATION OF NET PROFIT

HUGO BOSS AG closed fiscal 2012 with net income for the year of EUR 288,207 thousand (2011: EUR 88,345 million). After withdrawal from the revenue reserves, the unappropriated surplus amounted to EUR 219,648 thousand (2011: EUR 203,097 thousand). Given its profits-based distribution policy, the Managing Board and the Supervisory Board will recommend the distribution of a dividend of EUR 3.12 per ordinary share (2011: EUR 2.88 per ordinary share and EUR 2.89 per preferred share) for fiscal year 2012 at the Annual Shareholders' Meeting. This corresponds to an amount of EUR 215,330 thousand (2011: EUR 199,103 thousand). It will also be proposed at the Annual Shareholders' Meeting to carry forwards EUR 4,318 thousand (2011: EUR 3,994 thousand) to new account.

INFORMATION CONCERNING THE MAJORITY SHAREHOLDER

- On October 17, 2005, HUGO BOSS AG received the following notification from V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 21 of the German Securities Trading Act (WpHG) of March 12, 2003:

- "Referring to our notification of March 12, 2003, we hereby inform you that on September 28, 2005 the Company changed its name from Marzotto International N.V. to V.F.G. International N.V.

  We continue to hold 78.76% of the voting share capital."

  Metzingen, October 2005
  The Managing Board

- On August 8, 2007, HUGO BOSS AG received from the following companies and individuals the following correction of the notifications on voting rights dated August 3, 2007 pursuant to Section 21 Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG).

7. RED & BLACK HOLDCO S.À R.L.
Red & Black HoldCo S.à r.l. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Red & Black HoldCo S.à r.l., Luxembourg (address: 282, route de Longwy, L -1940 Luxembourg), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Red & Black HoldCo S.à r.l. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Red & Black HoldCo S.à r.l. indirectly via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Red & Black HoldCo S.à r.l. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

8. RED & BLACK HOLDCO 2 S.À R.L.
Red & Black HoldCo 2 S.à r.l. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Red & Black HoldCo 2 S.à r.l., Luxembourg (address: 282, route de Longwy, L -1940 Luxembourg), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Red & Black HoldCo 2 S.à r.l. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Red & Black HoldCo 2 S.à r.l. indirectly via Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Red & Black HoldCo 2 S.à r.l. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

9. P4 SUB L.P.1
P4 Sub L.P.1 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by P4 Sub L.P.1, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to P4 Sub L.P.1 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by P4 Sub L.P.1 indirectly via Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to P4 Sub L.P.1 as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo 2 S.à r.l., Red &

Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V., pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

10. PERMIRA IV L.P.1

Permira IV L.P.1 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV L.P.1, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV L.P.1 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV L.P.1 indirectly via P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV L.P.1 as a result of the own shares held by HUGO BOSS AG indirectly via P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

11. PERMIRA IV MANAGERS L.P.

Permira IV Managers L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV Managers L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV Managers L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV Managers L.P. indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l, Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Managers IV L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

12. PERMIRA IV MANAGERS LIMITED

Permira IV Managers Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV Managers Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV Managers Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV Managers Limited indirectly via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Managers IV Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira Managers IV L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

13. PERMIRA IV L.P.2
Permira IV L.P.2 notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV L.P.2, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV L.P.2 as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV L.P. 2 indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV L.P.2 as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

14. P4 CO-INVESTMENTS L.P.
P4 Co-Investments L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by P4 Co-Investments L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to P4 Co-Investments L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by P4 Co- Investments L.P. indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to P4 Co-Investments L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

15. PERMIRA INVESTMENTS LIMITED
Permira Investments Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira Investments Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira Investments Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, Pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira Investments Limited indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Investments Limited as a result of the own shares held by HUGO BOSS AG indirectly via Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

16. PERMIRA IV GP L.P.
Permira IV GP L.P. notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV GP L.P., Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV GP L.P. as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV GP L.P. indirectly via Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red &

Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV GP L.P. as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV L.P. 1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

17. PERMIRA IV GP LIMITED

Permira IV GP Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira IV GP Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira IV GP Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira IV GP Limited indirectly via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira IV GP Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Red & Black Topco 2 S.à r.l., Red & Black Lux 2 S.à r.l., Red & Black 2 S.r.l., Permira IV L.P.2, P4 Co-Investments L.P., Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act.

18. PERMIRA NOMINEES LIMITED

Permira Nominees Limited notified us of the following:

The share of voting rights in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, held by Permira Nominees Limited, Guernsey (address: Trafalgar Court, Les Banques, St Peter Port, Guernsey, Channel Islands), exceeded the thresholds of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50%, and 75% on August 2, 2007. The share of voting rights now amounts to 80.23% (28,770,683 voting rights), of which a share of 78.76% (28,242,128 voting rights) is attributable to Permira Nominees Limited as a result of the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the Securities Trading Act. V.F.G. International N.V. is controlled by Permira Nominees Limited indirectly via Permira Investments Limited, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., and Valentino Fashion Group S. p. A., Milan, Italy. A further share of voting rights amounting to 1.47% (528,555 voting rights) is attributable to Permira Nominees Limited as a result of the own shares held by HUGO BOSS AG indirectly via Permira Investments Limited, Red & Black HoldCo S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l., Red & Black S.r.l., Valentino Fashion Group S. p. A., and V.F.G. International N.V. pursuant to Section 22 Paragraph 1 sentence 1 No. 1 in conjunction with sentence 3 of the

Securities Trading Act.

- On March 14, 2008, HUGO BOSS was notified of the following voting rights announcement pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of the entities mentioned in the following:

"On March 11, 2008 Red & Black 2 S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy) was merged into Red & Black S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy). Thereby Red & Black 2 S.r.l. has lapsed. Legal successor is Red & Black S.r.l. Against the background of the above mentioned merger we inform you in the name and by order of Red & Black S.r.l., Milan (Address: via San Paolo 10, 20121 Milan, Italy) pursuant to 21 paragraph 1, 22 WpHG (German Securities Trading Act) about the following:

As legal successor of Red & Black S.r.l. 2, Milan (address: via San Paolo 10, 20121 Milan, Italy): The proportion of voting rights of Red & Black S.r.l. 2, Milan (address: via San Paolo 10, 20121 Milan, Italy), held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on March 11, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself: The proportion of voting rights of Red & Black S.r.l., Milan (address: via San Paolo 10, 20121 Milan, Italy), held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, continues to amount to more than 75% of the voting rights as of March 11, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black S.r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled indirectly by Red & Black S.r.l. via Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black S.r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act)."

Metzingen, March 14, 2008

The Managing Board

- On March 25, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Red & Black S.p.A.: Red & Black S.r.l, Milan, Italy has been converted in Red & Black S.p.A. Milan, Italy. Also after the effectiveness of the conversion of form on March 19, 2008 the company Red&Black S.p.A. held in HUGO BOSS AG, Metzingen, Germany voting rights of more than 75%. With effect of the conversion of form on March 19, 2008 the proportion of the voting rights of Red & Black S.p.A. Milan, Italy, held in HUGO BOSS AG, Metzingen, Germany is 89.49% (32,092,026 voting rights). Thereof the proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black S.p.A. from shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled indirectly by Red & Black S.p.A. via Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black S.r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, March 26, 2008

The Managing Board

- On April 23, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Red & Black TopCo S.à r.l., Luxembourg as of Red & Black Lux S.à r.l., Luxembourg. On April 21, 2008 Red & Black TopCo 2 S.à r.l., Luxembourg was merged into Red & Black TopCo S.à r.l., Luxembourg. Also on April 21, 2008, in a second step, Red & Black Lux 2 S.à r.l., Luxembourg was merged into Red & Black Lux S.à r.l., Luxembourg. Thereby Red & Black TopCo 2 S.à r.l. and Red & Black Lux 2 S.à r.l. have lapsed. Legal successor of Red & Black TopCo 2 S.à r.l. is Red & Black TopCo S.à r.l.; Legal successor of Red & Black Lux 2 S.à r.l. is Red & Black Lux S.à r.l. Against the background of the above mentioned merger Red & Black TopCo S.à r.l. as well as Red & Black Lux S.à r.l. inform pursuant to section 21 paragraph 1, 22 WpHG (German Securities Trading Act) about the following:

- Red & Black TopCo S.à r.l., as legal successor of Red & Black TopCo 2 S.à r.l., Luxembourg:

The proportion of voting rights of Red & Black TopCo 2 S.à r.l., Luxembourg held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on April 21, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself: The proportion of voting rights of Red & Black TopCo S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, continues to amount to more than 75% of the voting rights as of April 21, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black TopCo S.à r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is controlled by Red & Black TopCo S.à r.l. indirectly via Red & Black Lux S.à r.l., Luxembourg, Red & Black S.p.A., Milan, Italy, and Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black TopCo S.à r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

- Red & Black Lux S.à r.l., as legal successor of Red & Black Lux 2 S.à r.l., Luxembourg:

The proportion of voting rights of Red & Black Lux 2 S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on April 21, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself: The proportion of voting rights of Red & Black Lux S.à r.l., Luxembourg held in HUGO BOSS AG, Metzingen, Germany, continues to amount to more than 75% of the voting rights as of April 21, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Red & Black Lux S.à r.l. from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is controlled by Red & Black Lux S.à r.l. indirectly via Red & Black S.p.A., Milan, Italy, and Valentino Fashion Group S.p.A., Milan, Italy. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Red & Black Lux S.à r.l. from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, April 24, 2008

The Managing Board

- On May 2, 2008, HUGO BOSS was notified of the following voting rights announcements pursuant to sec- tion 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of Valentino Fashion Group S.p.A., Milan, Italy (until May 1, 2008 trading under the name of Red & Black S.p.A., Milan, Italy), registered in the company register Milan on June 26, 2007 under the number 05786030964:

1. On May 1, 2008 Valentino Fashion Group S.p.A., Milan, Italy registered in the company register on February 15, 2005 under the number 047403870962 (hereinafter referred to as "Valentino Old") was merged into Red & Black S.p.A., Milan, Italy. Thereby Valentino Old has lapsed. Legal successor is Red & Black S.p.A., Milan, Italy.

2. In the course of the above mentioned merger the company Red & Black S.p.A. was renamed Valentino Fashion Group S.p.A. (hereinafter referred to as "Valentino New") on May 1, 2008.

3. Against the background of the above mentioned merger and renaming, Valentino New pursuant to section 21 paragraph 1 and section 22 WpHG makes the following notification:

As the legal successor of Valentino Old: The proportion of voting rights of Valentino Old held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on May 1, 2008 and has stood at 0.00% since this day (no voting rights).

For the company itself: The proportion of voting rights of Valentino New held in HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany, continues to amount to more than 75% of the voting rights as of May 1, 2008, namely 89.49% of voting rights (32,092,026 voting rights). A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Valentino New from the shares held by V.F.G. International N.V., Amsterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled by Valentino New. A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Valentino New from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, May 2, 2008

The Managing Board

- On August 6, 2008, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

The proportion of voting rights of Permira Holdings LLP, London, UK, held in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, exceeded the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% und 3% on August 04, 2008 and has stood at 89.49% of the voting rights since this day (32,092,026 shares). A proportion of voting rights of 88.02% (31,563,471 voting rights) of the shares held by V.F.G. International N.V. is attributable to Permira Holdings LLP, pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act). V.F.G. International N.V. is a company controlled by Permira Holdings LLP indirectly via Permira Holdings Limited, Permira IV Managers Limited, Permira IV Managers L.P., Permira IV GP Limited, Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Permira IV L.P.2, P4 Co-Investments L.P., Permira

Investments Limited, Permira Nominees Limited, Red & Black HoldCo S.à r.l., Red & Black TopCo S.à r.l., Red & Black Lux S.à r.l. and Valentino Fashion Group SpA. A further proportion of voting rights of 1.47% (528,555 shares) is attributable to Permira Holdings LLP of the own shares held by HUGO BOSS AG via Permira Holdings Limited, Permira IV Managers Limited, Permira IV Managers L.P., Permira IV GP Limited, Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black HoldCo 2 S.à r.l., Permira IV L.P.2, P4 Co-Investments L.P., Permira Investments Limited, Permira ominees Limited, Red & Black HoldCo S.à r.l., Red & Black TopCo S.à r.l., Red & Black Lux S.à r.l., Valentino Fashion Group S.p.A and V.F.G. International N.V. pursuant to section 22 paragraph 1 sentence 1 no. 1 in conjunction with sentence 3 WpHG (German Securities Trading Act).

Metzingen, August 7, 2008

The Managing Board

- On September 24, 2009, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

The proportion of voting rights of Permira Holdings LLP, London, UK, held in HUGO BOSS AG, Dieselstrasse 12, 72555 Metzingen, Germany, fell below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% and 3% on September 21, 2009 and now stands at 0.00% (no voting rights).

For clarification, please note that the proportion of voting rights of all other companies for which their current proportion of voting rights subject to reporting requirements that have up to now been attributable to HUGO BOSS AG remain unaffected by the fact that the party obligated to report has gone below the limits as reported above. Permira Holdings Limited, and not Permira Holdings LLP, is now the controlling company in the existing structure.

Metzingen, September 25, 2009

The Managing Board

- On December 23, 2009, HUGO BOSS AG received from the following companies the following notifications on voting rights pursuant to Section 21, Paragraph 1 and Section 22 of the German Securities Trading Act (WpHG):

1. VALENTINO FASHION GROUP S.P.A.

Valentino Fashion Group S.p.A., Milan, Italy, notified us of the following: We, the Valentino Fashion Group S.p.A., hereby inform you pursuant to section 21 paragraph 1 WpHG (German Securities Trading Act) that on December 23, 2009 our proportion of voting rights held in HUGO BOSS AG went below the limits of 75%, 50%, 30%, 25%, 20%, 15%, ,10%, 5% and 3% and now amounts to 0.00% (0 voting rights). For clarification, please note that the proportion of voting rights of all other companies to which their current proportion of Valentino Fashion Group S.p.A. voting rights attributable to HUGO BOSS AG shares remain unaffected by the fact that the Valentino Fashion Group S.p.A. has gone below the limits as reported above. Permira Holdings Limited remains the controlling company in the existing structure.

2. BLITZ F09-VIER-SECHS GMBH

Blitz F09-vier-sechs GmbH, Frankfurt/Main, Germany, notified us of the following:

We, Blitz F09-vier-sechs GmbH, hereby inform you pursuant to section 21 paragraph 1 WpHG (German Securities Trading Act) that on December 23, 2009 our proportion of voting rights held in HUGO BOSS AG exceeded the limits of 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75% and now stands at 89.49% (32,092,026 voting rights).

A proportion of voting rights of 88.02% (31,563,471 voting rights) shall be attributable to Blitz F09-vier-sechs GmbH from the shares held by V.F.G. INTERNATIONAL N.V., Rotterdam, Netherlands, pursuant to section 22 paragraph 1 sentence 1 no. 1 WpHG (German Securities Trading Act).

A further proportion of voting rights of 1.47% (528,555 voting rights) shall be attributable to Blitz F09-viersechs GmbH from the own shares held by HUGO BOSS AG pursuant to section 22 paragraph 1 sentence 1 no. 1 in WpHG (German Securities Trading Act). For clarification: The above voting rights limits were exceeded because of an internal Group restructuring. Permira Holdings Limited remains the controlling company in the existing structure.

Metzingen, December 28, 2009

The Managing Board

- On March 24, 2010, HUGO BOSS AG was notified of the following voting rights announcements pursuant to section 21 paragraph 1 and section 22 WpHG (German Securities Trading Act) of the entities mentioned in the following:

1. V.F.G. INTERNATIONAL N.V., AMERSFOORT, NETHERLANDS:
On March 23, 2010 the proportion of voting rights of V.F.G. International N.V., Amersfoort, Netherlands held in HUGO BOSS AG has gone below the limits of 75%, 50%, 30%, 25%, 20%, 15%, 10%, 5% und 3% and amounts to 0,00% (no shares) on this day.

2. RED & BLACK HOLDING GMBH (FORMERLY BLITZ F09-VIER-SECHS GMBH), MÜNCHEN, GERMANY:
On March 23, 2010 the proportion of voting rights of (formerly Blitz F09-vier-sechs GmbH), München, Germany held in HUGO BOSS AG, Metzingen, Deutschland, amounts still to more than 75% of the voting rights, namely 89,49% of the voting rights (32.092.026 shares). Thereof a proportion of voting rights of 88,02% (31.563.471 shares) of Red & Black Holding GmbH pursuant to § 21 Abs. 1 WpHG are held directly.

A further proportion of voting rights of 1,47% (528,555 shares), own shares held by HUGO BOSS AG, pursuant to section 22 paragraph 1 sentence 1 No. 1 WpHG, shall be attributable to Red & Black Holding GmbH.

For clarification it is mentioned that the proportions of voting rights of all other companies, of which their former proportion of voting rights with HUGO BOSS AG has been attributed to V.F.G. International N.V., are unaffected by the shortfall of the above mentioned limits of V.F.G. International N.V.. The controlling company in the existing structure remains Permira Holdings Limited.

Metzingen, March 26, 2010

The Managing Board

- On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of UniCredit Bank AG:

UniCredit Bank AG, as at 1 February 2012 directly held financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire up to 88.02% of the voting rights (31,563,471 out of 35,860,000 common shares) in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. The instruments com-prise loan collaterals that were granted to us in connection with our lending business in 2009, i.e. a call option which enables us to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable us to acquire up to 88.02% of the voting rights. Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012

The Managing Board

- On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of UniCredit S.p.A.:

UniCredit S.p.A., via our German subsidiary UniCredit Bank AG, as at 1 February 2012 indirectly held fi-nancial and other instruments pursuant to section 25a para. 1 WpHG which are struc-tured in a manner that enables UniCredit Bank AG to acquire up to 88.02% of the voting rights (31,563,471 out of 35,860,000 common shares) in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. The instruments comprise loan collaterals that were granted in connection with its lending business in 2009, i.e. a call option which enables UniCredit Bank AG to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable UniCredit Bank AG to acquire up to 88.02% of the voting rights.

The instruments are held via the following controlled undertaking: UniCredit Bank AG.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012

The Managing Board

On March 15, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 25a and section 41 paragraph 4d WpHG (German Securities Trading Act) of Mediobanca – Banca di Credito Finanziario S.p.A.:

Mediobanca – Banca di Credito Finanziario S.p.A., as at 1 February 2012 directly held a financial instrument pursuant to section 25a para. 1 WpHG which is structured in a manner that enables us to acquire up to 44.01% of the voting rights (15,781,735 out of 35,860,000 common shares) in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. The instrument is a call option granted to us in connection with our lending business in 2009 that enables us to acquire up to 44.01% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above.

Metzingen, March 20, 2012

The Managing Board

On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of PFC Srl, Vicenza, Italy:

PFC Srl held/would have held on 1st February 2012 by aggregating

- voting rights from common shares, we are enabled under certain circumstances to indirectly acquire on the basis of a directly held instrument pursuant to sec. 25a para. 1 sentence 1 WpHG, and
- voting rights held by us pursuant to sec. 21 WpHG

a voting rights proportion of 88.34% (equals: 31,680,229 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

In detail,

- our voting rights proportion pursuant to sec. 21 WpHG amounts to 0.33% (equals: 116,758 voting rights), and
- our voting rights proportion indirectly acquirable on the basis of a directly held instru-ment pursuant to sec. 25a para. 1 sentence 1 WpHG amounts to 88.02% (equals: 31,563,471 voting rights).

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Sharehol-ders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and ZETA FINANCE S.A. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. (“Topco”).

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April 13, 2012

The Managing Board

On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of Zeta Finance S.A., Luxemburg, Luxemburg:

Zeta Finance S.A. held on 1st February 2012 an instrument pursuant to sec. 25a para. 1 sen-tence 1 WpHG enabling us under certain circumstances to indirectly acquire voting rights in the proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding com-pany Red & Black Topco S.à r.l. (“Topco”).

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April 13, 2012

The Managing Board

On April 12, 2012 HUGO BOSS was notified of the following voting rights announcements pursuant to section 41 paragraph 4d WpHG (German Securities Trading Act) of Zignago Holding S.p.A., Fossalta di Portogruaro (VE), Italy:

Zignago Holding S.p.A. held on 1st February 2012 indirectly an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG under which ZETA FINANCE S.A. is enabled to indirectly acquire voting rights in the proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 35,860,000.

The instrument indirectly held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between ZETA FINANCE S.A. and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco"). The instrument indirectly held by us is directly held by ZETA FINANCE S.A. which is directly controlled by us.

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable ZETA FINANCE S.A. – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 88.02% (equals: 31,563,471 voting rights) in HUGO BOSS AG.

Metzingen, April13, 2012

The Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

On June 18, 2012, HUGO BOSS AG received the following voting rights notifications in accordance with Sections 21 (1) and 22 WpHG from the companies specified below:

1. RED & BLACK HOLDING GMBH

On June 15, 2012, the share of voting rights held by Red & Black Holding GmbH, Oberursel, Germany, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is held by Red & Black Holding GmbH directly in accordance with Section 21 (1) WpHG. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

2. RED & BLACK LUX S.À R.L.

On June 15, 2012, the share of voting rights held by Red & Black Lux S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Lux S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled by Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Lux S.à r.l. via Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

3. RED & BLACK TOPCO S.À R.L.

On June 15, 2012, the share of voting rights held by Red & Black Topco S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Topco S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence

3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Topco S.à r.l. via Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Topco S.à r.l. via Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

4. RED & BLACK HOLDCO S.À R.L.

On June 15, 2012, the share of voting rights held by Red & Black Holdco S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Holdco S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Holdco S. à r.l. via Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holdco S.à r.l. via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

5. RED & BLACK HOLDCO 2 S.À R.L.

On June 15, 2012, the share of voting rights held by Red & Black Holdco 2 S.à r.l., Luxembourg, Luxembourg, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Red & Black Holdco 2 S.à r.l. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Red & Black Holdco 2 S.à r.l. via Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Red & Black Holdco 2 S.à r.l. via Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

6. P4 SUB L.P.1

On June 15, 2012, the share of voting rights held by P4 Sub L.P.1, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to P4 Sub L.P.1 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by P4 Sub L.P.1 via Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to P4 Sub L.P.1 via Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

7. PERMIRA IV L.P.1

On June 15, 2012, the share of voting rights held by Permira IV L.P.1, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV L.P.1 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV L.P.1 via P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV L.P.1 via P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

8. PERMIRA IV MANAGERS L.P.

On June 15, 2012, the share of voting rights held by Permira IV Managers L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV Managers L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV Managers L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV Managers L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

9. PERMIRA IV MANAGERS LIMITED

On June 15, 2012, the share of voting rights held by Permira IV Managers Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV Managers Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV Managers Limited via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV Managers Limited via Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

10. PERMIRA IV L.P.2

On June 15, 2012, the share of voting rights held by Permira IV L.P.2, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV L.P.2 from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV L.P.2 via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV L.P.2 via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

11. P4 CO-INVESTMENT L.P.

On June 15, 2012, the share of voting rights held by P4 Co-Investment L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to P4 Co-Investment L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by P4 Co-Investment L.P. via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to P4 Co-Investment L.P. via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

12. PERMIRA INVESTMENTS LIMITED

On June 15, 2012, the share of voting rights held by Permira Investments Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Investments Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Investments

Limited via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Investments Limited via Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

13. PERMIRA IV GP L.P.

On June 15, 2012, the share of voting rights held by Permira IV GP L.P., St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV GP L.P. from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV GP L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV GP L.P. via Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

14. PERMIRA IV GP LIMITED

On June 15, 2012, the share of voting rights held by Permira IV GP Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira IV GP Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira IV GP Limited via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira IV GP Limited via Permira IV GP L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

15. PERMIRA NOMINEES LIMITED

On June 15, 2012, the share of voting rights held by Permira Nominees Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Nominees Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Nominees Limited via Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Nominees Limited via Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

16. PERMIRA HOLDINGS LIMITED

On June 15, 2012, the share of voting rights held by Permira Holdings Limited, St Peter Port, Guernsey, Channel Islands, in HUGO BOSS AG, Metzingen, Germany, fell below the threshold of 75% due to a change in the total number of voting rights as a result of the conversion of preferred shares without voting rights into ordinary shares with voting rights. Its share of the voting rights now amounts to 67.53% (47,540,145 voting rights). Of this amount, a 65.56% share of the voting rights (46,156,312 voting rights) is attributed to Permira Holdings Limited from shares held by Red & Black Holding GmbH in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG. Red & Black Holding GmbH is controlled indirectly by Permira Holdings Limited via Permira IV GP Limited, Permira IV GP L.P., Permira IV Managers Limited, Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Permira Nominees Limited, Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l. and Red & Black Lux S.à r.l. A further share of the voting rights of 1.97% (1,383,833 voting rights) is attributed to Permira Holdings Limited via Permira IV GP Limited, Permira IV GP L.P., Permira IV Managers Limited, Permira IV Managers L.P., Permira IV L.P.1, P4 Sub L.P.1, Red & Black Holdco 2 S.à r.l., Permira IV L.P.2, P4 Co-Investment L.P., Permira Nominees Limited, Permira Investments Limited, Red & Black Holdco S.à r.l., Red & Black Topco S.à r.l., Red & Black Lux S.à r.l. and Red & Black Holding GmbH from treasury shares held by HUGO BOSS AG in accordance with Section 22 (1) Sentence 1 No. 1 in conjunction with Sentence 3 WpHG.

Metzingen, June 21, 2012

The Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by PFC S.r.l., Vicenza, Italy, on June 18, 2012:

"We herewith notify pursuant to sec. 25a para. 1 WpHG that on 15 June 2012 by aggregating

- voting rights from common shares, we are enabled under certain circumstances to indirectly acquire on the basis of a directly held instrument pursuant to sec. 25a para. 1 sentence 1 WpHG, and

- voting rights held by us pursuant to sec. 21 WpHG we held/would have held a voting rights proportion of 65.93% (equals: 46,413,470 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

In detail,

- our voting rights proportion pursuant to sec. 21 WpHG amounts to 0.37% (equals: 257,158 voting rights), and

- our voting rights proportion indirectly acquirable on the basis of a directly held in-strument pursuant to sec. 25a para. 1 sentence 1 WpHG amounts to 65.56% (equals: 46,156,312 voting rights).

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten An-gebots) contained in a Sharehol-ders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and ZETA FINANCE S.A. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco").

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 65.56% (equals: 46,156,312 voting rights)."

Metzingen, June 21, 2012

Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by UniCredit Bank AG on June 19, 2012:

„We hereby notify you pursuant to section 25a para. 1 WpHG that on 15 June 2012 we, UniCredit Bank AG, have fallen below the threshold of 75% of the voting rights in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. We directly hold financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables us to acquire up to 65,56% of the voting rights (46,156,312 out of 70,400,000 common shares) in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. Falling below the threshold is a consequence of the change of number of voting rights. The instruments comprise loan collaterals that were granted to us in connection with our lending business in 2009, i.e. a call option which enables us to acquire up to 32,78% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event anable us to acquire up to 65,56% of the voting rights.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

Metzingen, June 21, 2012

Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by UniCredit S.p.A. on June 19, 2012:

„We hereby notify you pursuant to section 25a para. 1 WpHG that on 15 June 2012 we, UniCredit S.p.A., have fallen below the threshold of 75% of the voting rights in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. Via our German subsidiary UniCredit Bank AG we indirectly hold financial and other instruments pursuant to section 25a para. 1 WpHG which are structured in a manner that enables UniCredit Bank AG to acquire up to 65,56% of the voting rights (46,156,312 out of 70,400,000 common shares) in Hugo Boss AG, Dieselstraße 12, 72555 Metzingen, Germany. Falling below the threshold is a consequence of the change of number of voting rights. The instruments comprise loan collaterals that were granted in connection with its lending business in 2009, i.e. a call option which enables UniCredit Bank AG to acquire up to 32,78% of the voting rights and may be exercised in December 2015, provided that the exercise period is not postponed due to certain contractual provisions, and pledges which in an enforcement event enable UniCredit Bank AG to acquire up to 65,56% of the voting rights.

The instruments are held via the following controlled undertaking: UniCredit Bank AG.

Further shares of voting rights that need to be notified in accordance with sections 21, 22, 25 WpHG are neither held by nor attributable to us. The aggregate number of shares of voting rights that need to be notified in accordance with sections 21, 22, 25, 25a WpHG corresponds to the number disclosed above."

Metzingen, June 21, 2012

Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by Zeta Finance S.A., Luxembourg, Luxembourg on June 18, 2012:

"We herewith notify pursuant to sec. 25 para. 1 sentence 1 WpHG that on 15 June 2012 we held an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG enabling us under certain circumstances to indirectly acquire voting rights in the proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

The instrument held by us relates to a right of first offer (Recht zur Abgabe eines ersten An-gebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between our company and PFC S.r.l. as minority shareholders and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority shareholders of the holding company Red & Black Topco S.à r.l. ("Topco").

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable us – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such subsidiary which in turn – among other assets – currently indirectly holds a voting rights proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG."

Metzingen, June 21, 2012

Managing Board

Notification of voting rights pursuant to Article 26 Section 1 WpHG

(German Securities Trading Act)

HUGO BOSS AG received the following information referring to notification pursuant to sec. 25a para. 1 WpHG by Zignago Holding S.p.A., Fossalta, Italy, on June 18, 2012:

“We herewith notify pursuant to sec. 25a para. 1 WpHG that on 15 June 2012 we indirectly held an instrument pursuant to sec. 25a para. 1 sentence 1 WpHG under which ZETA FINANCE S.A. is enabled to indirectly acquire voting rights in the proportion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG calculated from the total amount of voting rights in HUGO BOSS AG in the amount of 70,400,000. As per this date we would have fallen below the threshold of 75% of voting rights.

The instrument indirectly held by us relates to a right of first offer (Recht zur Abgabe eines ersten Angebots) contained in a Shareholders Agreement, which was signed in 2007 and ends on 02 August 2017, between ZETA FINANCE S.A. and PFC S.r.l. as minority sharehold-ers and Red & Black Holdco S.à r.l. and Red & Black Holdco 2 S.à r.l. as majority sharehold-ers of the holding company Red & Black Topco S.à r.l. (“Topco”). The instrument indirectly held by us is directly held by ZETA FINANCE S.A. which is directly controlled by us.

The right of first offer does not directly relate to shares in HUGO BOSS AG but does only enable ZETA FINANCE S.A. – subject to the majority shareholders of Topco intending to sell their controlling stake in Topco or its immediate subsidiary and under certain other conditions and only in certain limited circumstances – to make an offer and, if the majority shareholders accept such offer, to acquire the majority of the shares in Topco or such sub-sidiary which in turn – among other assets – currently indirectly holds a voting rights pro-portion of 65.56% (equals: 46,156,312 voting rights) in HUGO BOSS AG.”

Metzingen, June 21, 2012

Managing Board

Apart from that, no other shareholders have reported holdings equivalent to more than 10% of the voting rights.

Moreover, the Company received no other new reports of shareholdings of 3% or more of the voting rights in

HUGO BOSS AG.

MANAGING BOARD

CLAUS-DIETRICH LAHRS
Stuttgart, Germany

Chairman of the Managing Board
Responsible for:
Distribution
Retail
Royalties
Communication and
Global Replenishment

CHRISTOPH AUHAGEN
Stuttgart, Germany

Responsible for:
Brand Management
Creative Management
Sourcing and
Manufacturing

MARK LANGER
Stuttgart, Germany

Responsible for:
Controlling
Investor Relations
Finance
Legal and Compliance
Human Resources
Logistics
IT and Central Services
Director for Labor Relations

SUPERVISORY BOARD

DR. HELLMUT ALBRECHT
Munich, Germany

Management Consultant
Chairman of the Supervisory Board

ANTONIO SIMINA
Metzingen, Germany

Tailor/ Chairman of the Works Council
HUGO BOSS AG,
Metzingen, Germany
Deputy Chairman of the Supervisory Board
Employee representative

GERT BAUER
Reutlingen, Germany

First Authorized Representative of the German Metalworkers´ Union (IG Metall),
Reutlingen/Tübingen, Germany
Employee representative

HELMUT BRUST
Bad Urach, Germany

Director Social Affairs
HUGO BOSS AG,
Metzingen, Germany
Employee representative

BERND SIMBECK
Metzingen, Germany

Administrative employee
HUGO BOSS AG,
Metzingen, Germany
Employee representative

SINAN PISKIN
Metzingen, Germany

Administrative Employee
HUGO BOSS AG,
Metzingen, Germany
Employee representative

DR. MARTIN WECKWERTH
Frankfurt/Main, Germany

Partner
Permira Beteiligungsberatung GmbH,
Frankfurt/Main, Germany

MONIKA LERSMACHER
Kornwestheim, Germany

Secretary of the German Metalworkers´ Union
IG Metall Area Headquaters Baden-Württemberg,
Stuttgart, Germany
Employee representative

DAMON MARCUS BUFFINI
Surrey, Great Britain

Managing Director
Permira Advisers LLP,
London, Great Britain

LUCA MARZOTTO
Venice, Italy

Chief Executive Officer
Zignago Holding S.p.A.,
Fossalta di Portogruaro, Italy

GAETANO MARZOTTO
Milan,Italy

Chairman of the Supervisory Board
Gruppo Santa Margherita S.p.A.,
Fossalta di Portogruaro, Italy

DR. KLAUS MAIER
Stuttgart, Germany

Management Consultant

ADDITIONAL INFORMATION ON THE DUTIES OF SUPERVISORY BOARD AND MANAGING BOARD MEMBERS

The following members of HUGO BOSS' Supervisory Board also hold positions on bodies at the companies specified below:[1]

Dr. Hellmut Albrecht	MME Moviement AG[2] pro-beam Verwaltungs AG[2]	Berlin, Germany Planegg, Germany
Gert Bauer	ElringKlinger AG	Dettingen/Erms, Germany
Monika Lersmacher	Berthold Leibinger GmbH	Ditzingen, Germany
Dr. Klaus Maier	Diehl Stiftung & Co. KG Titan X Holding AB[2] Galeria Kaufhof GmbH	Nürnberg, Germany Mjällby, Sweden Cologne, Germany
Gaetano Marzotto	Zignago Holding S.p.A. Santa Margherita S.p.A.[2] Zignago Vetro S.p.A. Alpitour SpA	Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Torino, Itay
Luca Marzotto	Zignago Holding S.p.A. Santa Margherita S.p.A. H. Farm Ventures SpA,[2] New High Glass Inc. Federvini[2] Vetri Speciali S.p.A. Zignago Vetro S.p.A. Banca Popolare Friuladria S.p.A.	Fossalta di Portogruaro, Italy Fossalta di Portogruaro, Italy Roncade, Italy Miami, FL, USA Rom, Italy Trento, Italy Fossalta di Portogruaro, Italy Pordenone, Italy
Dr. Martin Weckwerth	Valentino Fashion Group S.p.A.	Milan, Italy

[1] The Members not stated have no seats on executive or advisory bodies at any other company.
[2] Holding the post of Chairman.

DISCLOSURE

The Group annual report and accounts of HUGO BOSS AG are published in the electronic German Federal Gazette and on the HUGO BOSS website.

Metzingen, February 22, 2013

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

STATEMENT OF CHANGES IN FIXED ASSETS

(in EUR thousand)		Acquisition or manufacturing costs			
		01/01/2012	Additions	Regrouped	Disposals
I.	**Intangible Assets**				
1.	For consideration industrial rights and similar rights	92,236	10,269	1,495	(1,053)
2.	Goodwill	1,340	0	0	0
3.	Prepayments	2,564	1,848	(1,495)	0
		96,140	**12,117**	**0**	**(1,053)**
II.	**Property, Plant and Equipent**				
1.	Land and buildings including buildings on third-party land	30,744	4,134	22	0
2.	Technical equipment and machinery	9,883	463	0	(467)
3.	Other equipment, factory and office equipment	130,870	10,781	2,446	(4,769)
4.	Prepayments and constructions in progress	2,899	11,558	(2,468)	(97)
		174,396	**26,936**	**0**	**(5,333)**
III.	**Financial Assets**				
1.	Shares in affiliated companies	544,876	521	0	0
2.	Other shares	10	0	0	0
		544,886	**521**	**0**	**0**
		815,422	**39,574**	**0**	**(6,386)**

	Depreciation		Net values	
12/31/2012	Current business year	Accumulated	**12/31/2012**	12/31/2011
102,947	15,260	67,363	35,584	39,138
1,340	117	704	636	753
2,917	0	0	2,917	2,564
107,204	**15,377**	**68,067**	**39,137**	**42,455**
34,900	787	16,457	18,443	15,075
9,879	547	8,300	1,579	1,665
139,328	11,994	89,442	49,886	48,779
11,892	0	0	11,892	2,899
195,999	**13,328**	**114,199**	**81,800**	**68,418**
545,397	0	540	544,857	544,336
10	0	0	10	10
545,407	**0**	**540**	**544,867**	**544,346**
848,610	**28,705**	**182,806**	**665,804**	**655,219**

RESPONSIBILITY STATEMENT

To the best of our knowledge, and in accordance with the applicable reporting principles, the annual financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of HUGO BOSS AG, and the management report includes a fair review of the development and performance of the business and the position of HUGO BOSS AG, together with a description of the principal opportunities and risks associated with the expected development of HUGO BOSS AG.

Metzingen, February 22, 2013

HUGO BOSS AG
The Managing Board

CLAUS-DIETRICH LAHRS
CHRISTOPH AUHAGEN
MARK LANGER

AUDIT OPINION

We issued the following opinion on the financial statements and management report:

"We have audited the annual financial statements, comprising the balance sheet, the income statement and the notes to the financial statements, together with the bookkeeping system, and the management report of HUGO BOSS AG, Metzingen, for the fiscal year from 1 January to 31 December 2012. The maintenance of the books and records and the preparation of the annual financial statements and management report in accordance with German commercial law are the responsibility of the Company's management. Our responsibility is to express an opinion on the annual financial statements, together with the bookkeeping system, and the management report based on our audit.

We conducted our audit of the annual financial statements in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the annual financial statements in accordance with [German] principles of proper accounting and in the management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Company and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the books and records, the annual financial statements and the management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the annual financial statements and management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the annual financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Company in accordance with [German] principles of proper accounting. The management report is consistent with the annual financial statements and as a whole provides a suitable view of the Company's position and suitably presents the opportunities and risks of future development."

Stuttgart, February 22, 2013
Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Matischiok	Koch
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

ADDITIONAL INFORMATION

3

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that refl ect 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 or 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.

FINANCIAL CALENDAR AND CONTACTS

FINANCIAL CALENDAR

MARCH 14, 2013
Press and analysts' conference

MAY 2, 2013
Publication of the first quarter report 2013

MAY 16, 2013
Annual shareholders' meeting

JULY 31, 2013
Publication of the first half year report 2013

OCTOBER 31, 2013
Publication of the nine months report 2013

CONTACTS

INVESTOR RELATIONS
Phone +49 (0) 7123 94-80903
EMail investor-relations@hugoboss.com

DENNIS WEBER
Head of Investor Relations
Phone +49 (0) 7123 94-86267
Fax +49 (0) 7123 94-886267

DR. HJÖRDIS KETTENBACH
Head of Corporate Communication
Phone +49 (0) 7123 94-2375
Fax +49 (0) 7123 94-2051

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LEGAL NOTICE

HUGO BOSS AG
Dieselstrasse 12
72555 Metzingen, Germany

Phone +49 (0) 7123 94 - 0
Fax +49 (0) 7123 94 - 2014
www.hugoboss.com

CONCEPT AND DESIGN
hw.design, Munich, Germany
www.hwdesign.de

ENGLISH TRANSLATION
EVS Translations, Berlin, Germany
Gilbert & Bartlett, Hamburg, Germany

PRODUCTION
Elanders GmbH, Waiblingen, Germany
www.elanders-germany.com