HUGO BOSS

FIRST QUARTER REPORT
JANUARY – MARCH 2014

CONTENTS

1

TO OUR SHAREHOLDERS

2

CONSOLIDATED INTERIM MANAGEMENT REPORT

3

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

4

FURTHER INFORMATION

TO OUR SHAREHOLDERS

1

LETTER TO SHAREHOLDERS

Dear Shareholders,
Ladies and Gentlemen,

HUGO BOSS AG started 2014 with healthy sales growth and in line with our expectations. Group sales increased by 6% excluding currency effects in the first quarter, while operating profit declined slightly.

We enjoyed exceptionally strong growth in our home region Europe. Despite a continuation of the difficult situation in the wholesale sector, where the trend in sales still reflects slow ordering by our partners some months ago as well as the effect of takeovers, the region showed a plus of 8%. This result is a demonstration of the brisk demand from customers in the Group's own retail operations, which also benefited from the significant expansion and upgrading of our store network over the past year.

In the Americas, the tense situation in the premium apparel market still prevailed: many retailers have countered consumers' marked reluctance to spend with high discounts over the past few months – a practice we have largely refrained from in the interest of customer confidence and our profitability. The market environment remained difficult in Asia, particularly in mainland China. However, a strong performance in the region's other markets secured us 7% sales growth in local currencies – a noticeable improvement on previous quarters.

Overall, the key figure for our own retail activities – comp store sales growth – was up by 6%. This is a remarkably good result compared to our peers and against the background of persistently slow growth in the industry.

We have made targeted investments in future growth potential over the past months. In addition to the continuous expansion of our own retail network, I should first and foremost mention the commissioning of our state-of-the-art distribution center for flat-packed goods in Filderstadt. In just a few weeks time from now we will have transferred all our flat-pack logistics activities from the current sites to Filderstadt.

In addition, we have significantly expanded our brand communication activities, particularly in the area of BOSS Womenswear. Our presence at the New York Fashion Week was definitely an important statement in this connection. More than 200,000 visitors followed the live broadcast of the BOSS Womenswear Fashion Show on the Internet – and just under 2 million more watched the subsequent recording. The media response to the first Jason Wu collection was also very positive. The mounting level of attention attracted by BOSS Womenswear has shown a positive commercial impact even in the first quarter, with sales rising at a strong double-digit rate.

The last few months have demonstrated that we are capable of transforming challenges into success. This is one main reason why we are looking forward with confidence to the coming months and affirming our forecast of high single-digit growth in currency-neutral sales and operating profit.

Sincerely yours,

Claus-Dietrich Lahrs
CEO and Chairman of the Managing Board

KEY FIGURES

	Jan. – March 2014	Jan. – March 2013[1]	Change in %
Net sales (in EUR million)	**612.6**	**593.5**	**3**
Net sales by segments			
Europe incl. Middle East and Africa	394.7	366.7	8
Americas	118.7	127.6	(7)
Asia/Pacific	86.3	86.3	0
Royalties	12.9	12.9	0
Net sales by distribution channel			
Group's own retail business	322.6	278.7	16
Wholesale	277.1	301.9	(8)
Royalties	12.9	12.9	0
Results of operations (in EUR million)			
Gross profit	400.6	366.8	9
Gross profit margin in %	65.4	61.8	360 bp
EBITDA	132.8	132.7	0
EBITDA before special items	131.3	132.6	(1)
Adjusted EBITDA margin in %[2]	21.4	22.3	-90 bp
EBIT	108.7	111.4	(2)
Net income attributable to equity holders of the parent company	80.7	81.6	(1)
Net assets and liabiltiy structure as of March 31 (in EUR million)			
Trade net working capital	461.2	445.2	4
Non-current assets	607.0	602.0	1
Equity	822.6	725.9	13
Equity ratio in %	53.9	51.4	
Total assets	1,525.3	1,412.6	8
Financial position (in EUR million)			
Free cash flow	30.7	5.1	> 100
Net financial liabilities (as of March 31)	26.8	123.7	(78)
Capital expenditure	20.6	31.4	(34)
Depreciation/amortization	24.1	21.3	13
Total leverage (as of March 31)[3]	0.0	0.2	(100)
Additional key figures			
Employees (as of March 31)	12,359	11,815	5
Personnel expenses (in EUR million)	128.6	120.8	6
Number of Group's own retail stores	1,007	1,010	
Shares (in EUR)			
Earnings per share	1.17	1.18	(1)
Last share price (as of March 31)	96.58	87.40	11
Number of shares (as of March 31)	70,400,000	70,400,000	

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

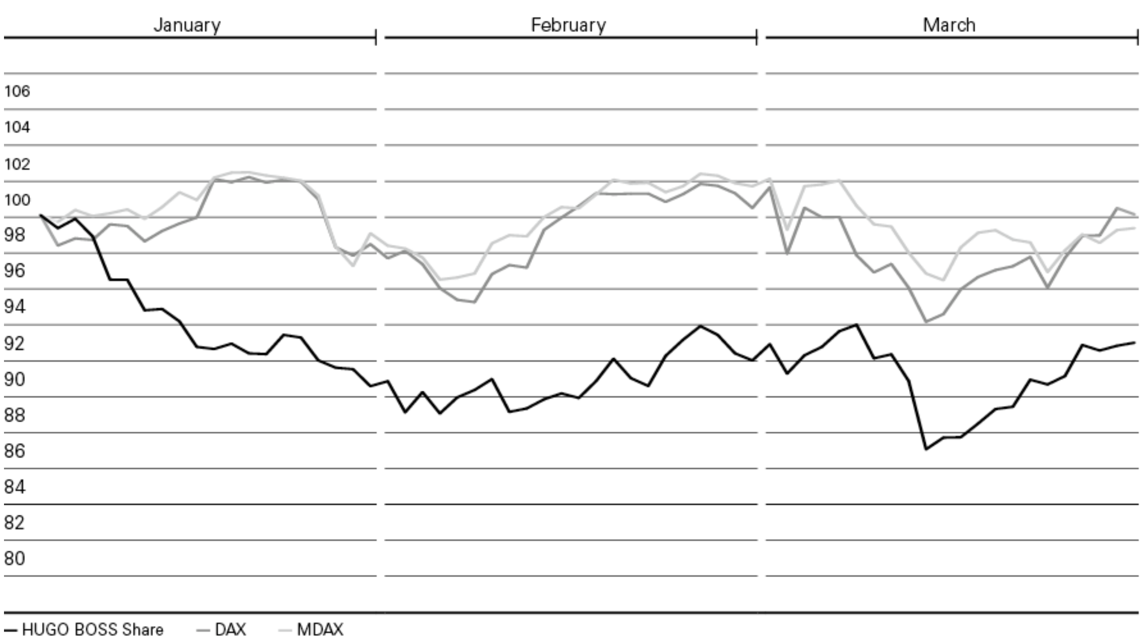
[2] EBITDA before special items/sales.

[3] Net financial liabilities/EBITDA before special items.

HUGO BOSS ON THE CAPITAL MARKET

Following substantial rises at the end of last year, the German stock markets started 2014 with a volatile sideways trend. The HUGO BOSS share also came under pressure at the beginning of the year after closing 2013 at a new all-time high with robust price increases.

01|01 SHARE PRICE PERFORMANCE 2014 (Index: December 31, 2013 = 100)



Volatile sideways movement of the German stock market
The significant upturn in the German stock markets at the end of the prior year was succeeded in the first months of 2014 by a volatile sideways movement. The currency turbulences which occurred particularly in emerging economies and which were triggered mainly by the announcement of a change in the direction of the U.S. central bank's monetary policy, a further economic slowdown in China as well as geopolitical uncertainties revolving around the conflict in Ukraine put the markets temporarily under severe pressure. In contrast, positive stimulus came from the surprisingly smooth increase in the U.S.'s debt ceiling, speculation on further expansive monetary policy measures in the Eurozone and China, and Ireland's and Portugal's successful return to the international capital markets. Overall, the **DAX** closed the first quarter unchanged compared to the end of 2013, while the **MDAX** closed 1% weaker.

HUGO BOSS share eases off slightly in first quarter
Following significant gains at the end of 2013, the HUGO BOSS share started the current year with losses. It came under pressure because the financial results published in the premium and luxury goods industry were taken negatively and because of the macroeconomic uncertainties in many emerging economies, which are of above-average importance to the sector. In the wake of the publication of the Group's results for 2013 and the positive outlook for the current year, the HUGO BOSS share recovered significantly from mid-March onwards. At the end of the reporting period, it was quoted at EUR 96.58, 7% down on its 2013 closing price of EUR 103.50.

On average, the shares of companies in the fashion and luxury goods industry also had a fairly weak start to the year. For example, the **MSCI World Textiles, Apparel & Luxury Goods Index**, which maps the share price performance of companies operating in these sectors, fell by 3% in the first three months.

The HUGO BOSS share, which is quoted on the MDAX, therefore performed slightly worse in the first quarter than its direct benchmark index and compared to the shares of companies operating in the fashion and luxury goods industry.

HUGO BOX weighted higher in the MDAX

The MDAX-listed HUGO BOSS share held 14th place in the Deutsche Börse ranking at the end of March 2014 on the basis of market capitalization adjusted for free float (March 31, 2013: 15th place). It ranked 8th by trading volume (March 31, 2013: 5th place). This made the weighting of the HUGO BOSS share on the MDAX 2.3% at the end of March (March 31, 2013: 2.1%). On average, 142,110 shares per day were traded on XETRA in the first quarter of 2014 (2013: 139,018).

Increase in dividend per share

HUGO BOSS pursues a profit-based dividend policy under which the shareholders participate appropriately in the development of the Group's profit. Between 60% and 80% of net income is to be distributed to the shareholders on a regular basis. On the basis of the increase in profits in fiscal year 2013, the strength of the Company's balance sheet and the positive expectations for 2014, the Managing Board and Supervisory Board intend to propose to the Annual Shareholders' Meeting on May 13, 2014, a dividend of EUR 3.34 per share (2012: EUR 3.12). The proposal corresponds to a payout ratio of 70% of net income attributable to the shareholders of the parent company in 2013 (2012: 70%). If the shareholders approve the proposal, the dividend will be paid out on the day following the Annual Shareholders' Meeting, i.e. on May 14, 2014. Based on the number of shares outstanding at the end of the first quarter of 2014, the amount distributed will total EUR 231 million (2012: EUR 215 million).

Shareholder structure unchanged

As of March 31, 2014 the shareholder structure of HUGO BOSS AG was as follows: 55.62% of shares are held by Permira Funds through Red & Black Lux S.à r.l. (December 31, 2013: 55.62%), 1.97% of the capital is held by HUGO BOSS AG as own shares (December 31, 2013: 1.97%). The remaining 42.41% of the shares are in free float (December 31, 2013: 42.41%).

Voting right notifications in accordance with section 21 WpHG

In accordance with section 21 WpHG [Gesetz über den Wertpapierhandel: German Securities Trading Act], shareholders are required to report the level of their shareholdings if they exceed or fall below certain thresholds. The reporting thresholds are 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%. The Company did not receive any such notifications in the reporting period from January 1 to March 31, 2014.

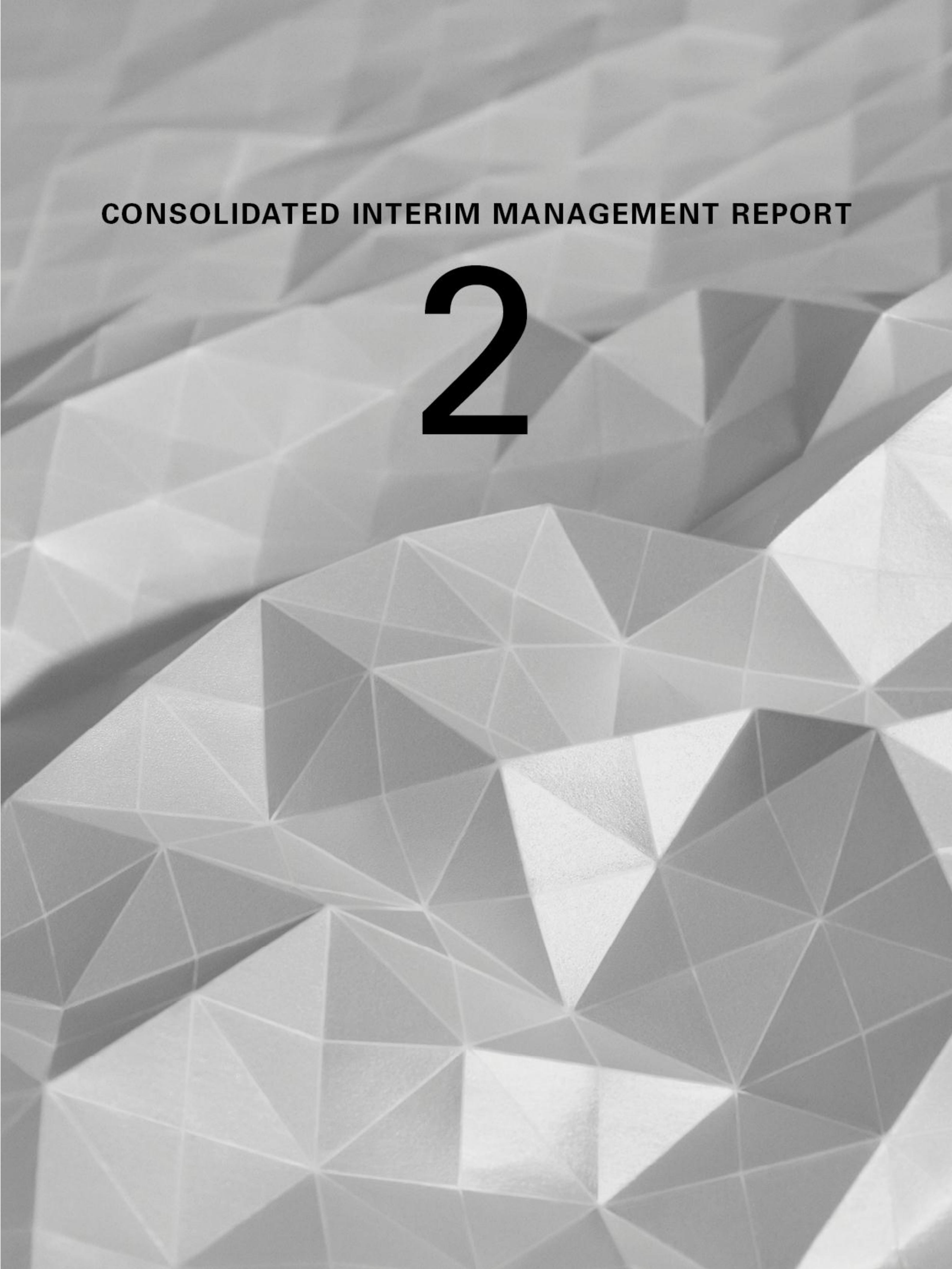
Reportable securities transaction in accordance with section 15 a WpHG

One notification on reportable transactions in shares of the Company in accordance with section 15 a WpHG was reported to the Company by the Managing Board and Supervisory Board in the period from January 1 to March 31, 2014. In total, members of the Managing Board and Supervisory Board hold less than 1% of the shares issued by HUGO BOSS AG.

Reportable securities transactions are published on the Group's website group.hugoboss.com in the Investor Relations section under "News and Releases".

CONSOLIDATED INTERIM MANAGEMENT REPORT

2



GROUP SALES AND RESULTS OF OPERATIONS

GENERAL ECONOMIC SITUATION

Mixed development of the global economy at the beginning of the year
The global economy continued to grow in the first quarter of 2014, driven in particular by the relative robust performance of the industrialized nations, especially the United States. However, it came under pressure from slower economic growth and related exchange rate turbulences in many emerging markets. The underlying economic conditions for the HUGO BOSS Group thus remained challenging.

Encouraging signals from the European economy
In **Europe** encouraging signs of a slight economic recovery emerged in the first months of the year. The core Eurozone countries as well as many peripheral countries were able to generate positive growth rates, underpinned by both domestic demand and foreign trade. However, growth was dragged down by the still necessary government austerity measures and economic policy reforms as well as the faltering recovery of consumer spending in the Southern European countries. Driven by strong retail sales, production and exports, the German economy had a good start to the year, while the French economy fell short of expectations due to fairly muted consumption. The economy in Great Britain benefited from the Bank of England's ongoing accommodative monetary policy at the beginning of the year.

Solid growth in the Americas
The **U.S. economy** was comparatively robust in the first quarter, with growth being spurred by strengthening consumption, declining unemployment rates and the unexpected agreement to extend the U.S. debt ceiling. However, the extreme winter weather took its toll on the economy, particularly on the housing market. The economy in **Latin America** experienced what in some cases was a drastic decline in the value of local currencies and a resultant massive outflow of capital in the first quarter. The region also came under pressure from low commodity prices and continued challenging foreign trade conditions.

Subdued growth in Asia
Economic growth in **Asia** largely remained at the prior-year level in the first quarter. Growth in the Chinese economy waned at the beginning of the year in the wake of muted retail sales, unexpectedly weak exports and a downturn in the manufacturing sector. The Chinese government responded to this by taking further measures to stimulate economic growth, such as investments in infrastructure and housing. On the other hand, the Japanese economy was robust in the first quarter. Growth was driven by the highly accommodative monetary policy pursued by the Bank of Japan, a sustained shift in consumption towards the domestic market and pull-forward effects ahead of the planned value added tax hike. In Australia, economic expansion was spurred by strengthening consumption and export activities.

SECTOR PERFORMANCE

Moderate sector growth in the first quarter

The premium and luxury goods sector is facing further challenging macroeconomic conditions and muted consumer confidence, particularly in the emerging markets, in the current fiscal year. Even so, it remained on its growth trajectory, aided in particular by the favorable performance of the retail channel, with most of the growth driven by the addition of new floor space. Unfavorable currency effects affected many companies' sales and earnings.

Despite the gradual improvement in consumer confidence in **Europe**, sector growth in large parts of the region was affected by sustained high unemployment rates, severe austerity measures and low wage and salary increases, resulting in a decline in customer traffic in many cases. However, market growth in the metropolitan regions of Western and Southern Europe was buoyed by tourist demand. The premium and luxury segment of the clothing industry in the **Americas** saw a slowdown in growth rates at the beginning of the year. In addition to weather-related factors, sales came under pressure from declining customer traffic in bricks-and-mortar retailing, which responded by cutting prices substantially. On the other hand, the online business remained strong. Demand for premium and luxury products in **Asia** was relatively subdued at the beginning of the year. In China in particular, slower macroeconomic growth and the damper placed on consumer confidence by the government's anti-corruption legislation resulted in what by historical standards was only moderate growth. In general, Hong Kong and Macau were on average somewhat stronger than the Chinese mainland. Surprisingly upbeat data emerged in the first few months of 2014 from Japan, where the sector benefited from pull-forward effects ahead of April's value added tax hike and the exchange-rate-induced shift in consumption to the domestic market.

SALES PERFORMANCE

SALES DEVELOPMENT

HUGO BOSS increased sales by 6% adjusted for currency effects

In the first three months of fiscal year 2014, HUGO BOSS generated **consolidated sales** of EUR 613 million. Accordingly, sales were up 3% on the comparable prior-year period in the Group's reporting currency (prior year: EUR 593 million). At the same time, exchange-rate fluctuations had a negative impact on the development of consolidated sales in the reporting period. Thus, HUGO BOSS achieved a year-on-year increase of 6% in sales in local currencies. The double-digit growth in sales in the Group's own retail business was able to more than make up for the decline in business in the wholesale channel. Moreover, the takeover of stores previously operated by wholesale partners led to a shift in sales from the wholesale business to the Group's own retail business.

SALES BY REGION

(in EUR million)

	Jan. – March 2014	**In % of sales**	Jan. – March 2013	In % of sales	Change in %	Currency-adjusted change in %
Europe[1]	394.7	64.4	366.7	61.8	8	8
Americas	118.7	19.4	127.6	21.5	(7)	(2)
Asia/Pacific	86.3	14.1	86.3	14.5	0	7
Royalties	12.9	2.1	12.9	2.2	0	0
TOTAL	**612.6**	**100.0**	**593.5**	**100.0**	**3**	**6**

[1] Including Middle East and Africa.

Sales growth in Europe and Asia/Pacific in local currencies

In the first three months of fiscal year 2014, sales in the reporting currency in **Europe** including the Middle East and Africa increased by 8% to EUR 395 million (prior year: EUR 367 million). This also corresponds to an increase of 8% in local currencies. The main underlying driver was sales growth in the markets of Germany and Great Britain. In the **Americas** sales in the reporting currency dropped by 7% to EUR 119 million (prior year: EUR 128 million). In local currencies, sales declined by 2% as a result of a challenging sector environment in the United States and Canada in particular. Sales in the reporting currency in **Asia/Pacific** came to EUR 86 million, on a par with the prior year (prior year: EUR 86 million). In local currencies, however, sales in this region were up 7% on the comparable prior-year period. All markets in the region achieved currency-adjusted growth in sales.

SALES BY DISTRIBUTION CHANNEL

(in EUR million)

	Jan. – March 2014	**In % of sales**	Jan. – March 2013	In % of sales	Change in %	Currency-adjusted change in %
Group's own retail business	322.6	52.7	278.7	47.0	15.8	19
Directly operated stores	217.1	35.5	183.2	30.9	18.5	22
Outlet	87.6	14.3	81.1	13.7	8.0	10
Online	17.9	2.9	14.4	2.4	24.3	25
Wholesale	277.1	45.2	301.9	50.9	(8.2)	(6)
Royalties	12.9	2.1	12.9	2.1	0.0	0
TOTAL	**612.6**	**100.0**	**593.5**	**100.0**	**3**	**6**

Double-digit growth in the Group's own retail business.
Double-digit growth rates were again achieved in the **Group's own retail business** in the first three months of fiscal year 2014. The expansion of the store network, which was mainly driven by the opening of new stores and takeovers, led to a sales increase of 16% to EUR 323 million (prior year: EUR 279 million). This is equivalent to a currency-adjusted increase of 19%. Retail comp store sales were up 3% on the comparable prior-year period in the reporting currency and up 6% adjusted for currency effects.

The share of the Group's own retail business in consolidated sales stood at 53% in the reporting period (prior year: 47%).

Difficult market environment and takeovers exert pressure on sales in the wholesale channel
Sales in the **wholesale channel** were down 8% on the prior year in the reporting currency at the end of the first three months of fiscal year 2014, coming to a total of EUR 277 million (prior year: EUR 302 million). A difficult market environment exerted pressure on sales in this distribution channel. Adjusted for currency effects, sales declined by 6%. Moreover, the takeover of stores previously operated by wholesale partners led to a shift in sales from the wholesale business to the Group's own retail business. The replenishment business, which allows HUGO BOSS to react to short-term surges in business partners' demand, was down in the first three months.

The share of the wholesale business in Group sales contracted from 51% in the comparable prior-year period to 45% in the reporting period.

The **royalties business** was stable in the first three months of fiscal year 2014. The products manufactured by partners include fragrances, eyeware and watches. As in the prior-year period, sales with external licensees came to EUR 13 million (prior year: EUR 13 million).

At 2%, the share of the royalties business in consolidated sales was unchanged over the prior year.

SALES BY RETAIL FORMAT
Sales by **directly operated stores (DOS)** rose in the three-month period by 19%, or by 22% after currency adjustments, to EUR 217 million (prior year: EUR 183 million). This includes sales of directly operated freestanding stores as well as sales generated with concession partners. With the concession model, the Group directly operates HUGO BOSS shop-in-shops on the sales floor of retail partners.

The **outlet business** recorded an increase of 8% in sales in the reporting currency to EUR 88 million, thus making a positive contribution to the Group's own retail business in the first quarter of 2014 (prior year: EUR 81 million). This is equivalent to a currency-adjusted increase of 10%.

In the first three months of fiscal year 2014, sales in the reporting currency of the Group's own online stores increased by 24% to EUR 18 million (prior year: EUR 14 million). This is equivalent to a currency-adjusted increase in sales of 25%.

NUMBER OF GROUP´S OWN RETAIL STORES

In the first three months of fiscal year 2014, the total number of the Group's own **retail stores** including outlets dropped by a net three to 1,007 (December 31, 2013: 1,010).

The **takeover** of twelve stores previously operated by wholesale partners strengthened in particular the concession model in Australia and Taiwan. At the same time, the Group pushed on its expansion strategy with 13 organic **new openings** in the period under review. This was accompanied by 28 closures of mostly smaller stores in the same period.

March 31, 2014	Freestanding stores	Shop-in-shops	Outlets	**TOTAL**
Europe	169	356	49	**574**
Americas	83	76	39	**198**
Asia/Pacific	118	93	24	**235**
TOTAL	**370**	**525**	**112**	**1,007**
December 31, 2013				
Europe	169	357	50	**576**
Americas	83	78	39	**200**
Asia/Pacific	119	91	24	**234**
TOTAL	**371**	**526**	**113**	**1,010**

In **Europe**, the retail store network was further strengthened with ten new openings. This allowed the Group to grow its presence in France in particular. Taking into account the closure of twelve mostly smaller stores, there was a net decline of two to a total of 574 own retail stores in Europe (December 31, 2013: 576).

In the **Americas**, one freestanding store was added to the network in Canada in the reporting period. Including three closures, there was a net decline of two to a total of 198 own retail stores in this region (December 31, 2013: 200).

As part of the expansion in **Asia/Pacific**, two stores were opened and twelve taken over in Australia and Taiwan in the first three months of fiscal year 2014. Including the closure of 13 mostly smaller stores, there was a net increase of one to the current 235 own retail stores in this region (December 31, 2013: 234).

SALES BY BRAND

In the first three months of fiscal year 2014, the **BOSS** core brand reported sales growth of 3% compared with the prior-year period. Sales of the **BOSS Green** brand climbed by 16% in the same period. Sales of **BOSS Orange** were down 11% on the comparable prior-year period, whereas the **HUGO** brand achieved sales growth of 10% over the comparable prior-year period.

In the reporting period, **menswear** sales were 2% up on the comparable prior-year period, coming to a total of EUR 542 million (prior year: EUR 532 million). This is equivalent to a share of 89% in total sales (prior year: 90%).

Womenswear sales increased by a disproportionately strong 14%, rising to EUR 70 million (prior year: EUR 62 million). As a result, womenswear now accounts for 11% of total sales (prior year: 10%).

EARNINGS DEVELOPMENT

INCOME STATEMENT

(in EUR million)

	Jan. – March 2014	In % of sales	Jan. – March 2013[1]	In % of sales	Change in %
Sales	**612.6**	**100.0**	**593.5**	**100.0**	**3**
Cost of sales	(212.0)	(34.6)	(226.7)	(38.2)	6
Gross profit	**400.6**	**65.4**	**366.8**	**61.8**	**9**
Selling and distribution expenses	(232.5)	(38.0)	(196.5)	(33.1)	(18)
Administration costs	(60.9)	(9.9)	(59.0)	(9.9)	(3)
Other operating income and expenses	1.5	0.2	0.1	0.0	
Operating result (EBIT)	**108.7**	**17.7**	**111.4**	**18.8**	**(2)**
Net interest income/expenses	(0.6)	(0.1)	(3.9)	(0.7)	85
Other financial items	(2.1)	(0.3)	(1.1)	(0.2)	(91)
Financial result	**(2.7)**	**(0.4)**	**(5.0)**	**(0.8)**	**46**
Earnings before taxes	**106.0**	**17.3**	**106.4**	**17.9**	**(0)**
Income taxes	(24.4)	(4.0)	(24.4)	(4.1)	0
Net income	**81.6**	**13.3**	**82.0**	**13.8**	**(0)**
Attributable to:					
Equity holders of the parent company	80.7	13.2	81.6	13.7	(1)
Non-controlling interests	0.9	0.1	0.4	0.1	0
Earnings per share (EUR)[2]	**1.17**		**1.18**		**(1)**
EBITDA	**132.8**	**21.7**	**132.7**	**22.4**	**0**
Special items	1.5	0.2	0.1	0.0	
EBITDA before special items	**131.3**	**21.4**	**132.6**	**22.3**	**(1)**
Income tax rate in %	**23**		**23**		

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

[2] Basic and diluted earnings per share.

NOTES TO THE INCOME STATEMENT

Increase in gross profit margin to 65.4%

In the first three months of fiscal year 2014, it was possible to ratchet up the **gross profit margin** by 360 basis points to 65.4% (prior year: 61.8%). This positive performance was primarily due to the growth in the Group's own retail business, lower discounts in the Group's own retail business and positive inventory valuation effects. At EUR 401 million, the **gross profit** at the end of the first three months of 2014 was up 9% on the prior-year level (prior year: EUR 367 million).

Expansion of Group's own retail business results in higher selling expenses

Selling and distribution expenses came to EUR 233 million in the first three months of fiscal year 2014, up 18% on the prior-year figure (prior year: EUR 197 million). Relative to sales, selling and distribution expenses increased from 33% to 38%. Selling expenses rose by EUR 24 million in the reporting period particularly as a result of the global expansion of the Group's own retail business, thus exceeding the prior year by 17%. Marketing expenses rose by 23% compared to the prior-year period. This increase was mainly due to increased expenses for print and CRM measures, expenditure in connection with the opening of two new flagship stores in Rome and Hong Kong as well as the New York Fashion Show. Relative to sales, logistics expenses climbed slightly from 2% in the prior year to 3%. Bad debt allowances and bad debts were again immaterial in the reporting period 2014 on account of the continued strict receivables management and the declining proportion of wholesale business in consolidated sales.

Administration expenses in relation to sales unchanged over the prior-year period

Administration expenses totaled EUR 61 million in the first three months of fiscal year 2014, up 3% on the prior-year figure (prior year: EUR 59 million). Relative to sales, administration expenses remained at the prior-year level of 10% (prior year: 10%). As in the prior year, general administration expenses came to EUR 45 million (prior year: EUR 45 million). Research and development costs incurred in creating fashion collections came to 3% relative to sales, one percentage point higher year-on-year. They increased in absolute terms by EUR 2 million to EUR 16 million (prior year: EUR 14 million).

Other operating expenses and income resulted in a net income of EUR 2 million (prior year: EUR 0 million) in the first quarter of 2014. This was mainly related to the sale of a showroom in France.

The key internal performance indicator **EBITDA before special items** slightly decreased over the comparable prior-year period by 1% to EUR 131 million (prior year: EUR 133 million). At 21.4%, the adjusted EBITDA margin was down 90 basis points on the prior year (prior year: 22.3%). The higher selling and distribution expenses were not fully compensated by the increase in gross profit.

Amortization and depreciation came to EUR 24 million, up 13% on the prior year (prior year: EUR 21 million). This was primarily due to the relative increase in property, plant and equipment and intangible assets compared to total assets as a result of investment in the Group's own retail business.

At the end of the first three months of fiscal year 2014, **EBIT** stood at EUR 109 million, down 2% on the prior year (prior year: EUR 111 million).

The **financial result**, measured as net expense after aggregating the interest result and other financial items, dropped in the first three months of fiscal year 2014 by EUR 2 million to EUR 3 million (prior year: EUR 5 million). Net interest expense declined to EUR 1 million as a result of a lower level of debt and lower interest rates (prior year: EUR 4 million). Other financial items resulted in a net expense of EUR 2 million and, due to slightly negative exchange rate effects, were up EUR 1 million on the comparable prior-year period (prior year: net expense of EUR 1 million).

Earnings before taxes came to EUR 106 million and was on par with the prior year (prior year: EUR 106 million). At 23%, the Group's income tax rate was unchanged over the prior year (prior year: 23%).

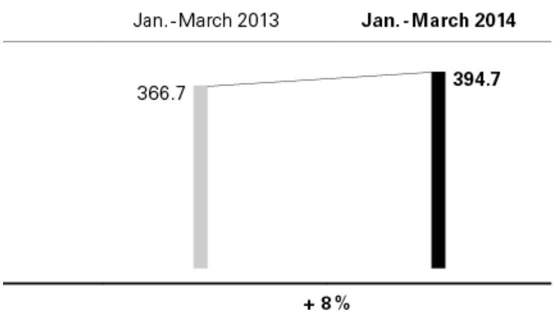
Net income unchanged over the prior year
At EUR 82 million, the **net income** in the first three months of fiscal year 2014 was on a par with the prior year (prior year: EUR 82 million). The net income attributable to equity holders of the parent company decreased by 1% to EUR 81 million (prior year: EUR 82 million), whereas the share attributable to non-controlling interests increased to EUR 1 million (prior year: EUR 0 million). This share mainly relates to the 40% share held by the Rainbow Group in the "joint venture" entities in China.

Earnings per share contracted by 1% over the prior year to EUR 1.17 (prior year: EUR 1.18).

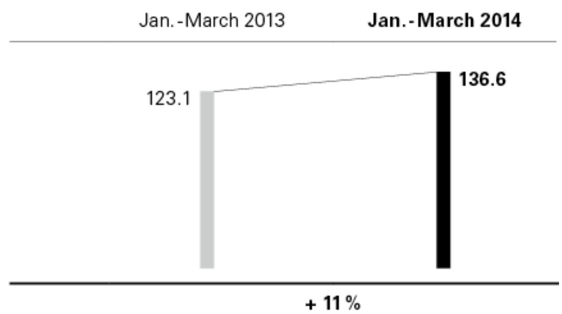
PROFIT DEVELOPMENT OF THE BUSINESS SEGMENTS

EUROPE

02|01 SALES DEVELOPMENT EUROPE
(in EUR million)



02|02 PROFIT DEVELOPMENT EUROPE
(in EUR million)



In the first three months of fiscal year 2014, **sales** in the reporting currency in **Europe** including the Middle East and Africa increased by 8% to EUR 395 million (prior year: EUR 367 million). This also corresponds to an increase of 8% in local currencies.

Significant sales growth in the Group's own retail business compensates for declining wholesale business
At EUR 106 million, sales in **Germany** were up 13% on the comparable prior-year period (prior year: EUR 94 million). This improvement was materially driven by double-digit growth in the Group's own retail business. The wholesale business remained stable. In **Great Britain**, sales in the reporting currency came to EUR 55 million, up 20% on the comparable prior-year period (prior year: EUR 46 million). This is equivalent to a 17% increase in sales in the local currency. This favorable performance was buoyed by both the wholesale business and the Group's own retail business. In **France**, the double-digit growth in sales in the Group's own retail business in the first three months could not fully make up for the decline in sales achieved with wholesale partners. Thus, at EUR 48 million sales were 3% down on the comparable prior-year period (prior year: EUR 49 million). Owing to the difficult market environment in the Netherlands, sales in the **Benelux countries** came to EUR 39 million, down 9% on the comparable prior-year period (prior year: EUR 42 million). However, the Group's own retail business also grew in this market during the reporting period.

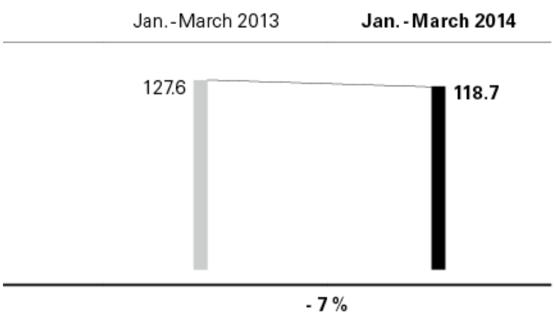
Over the three-month period, sales in the **Group's own retail business** increased in Europe by 24% to EUR 189 million (prior year: EUR 152 million). This is equivalent to an increase of 25% in local currencies. In addition to continued selling space expansion, this favorable performance was particularly due to the heightened productivity of existing retail selling space. Sales with **wholesale** customers declined by 4% in the same period to EUR 206 million (prior year: EUR 215 million). Sales in local currencies dropped by 3% due to the continued challenging market environment in the wholesale sector. Moreover, the takeover of stores previously operated by wholesale partners, especially in Germany, Spain and Great Britain, led to a shift in sales from the wholesale business to the Group's own retail business.

Segment profit up on prior-year level due to higher gross profit margin

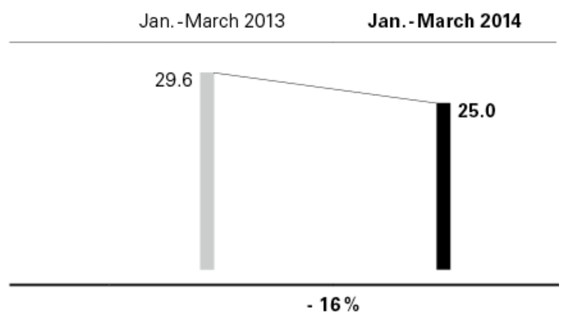
At EUR 137 million, **segment profit** in Europe was up 11% on the comparable prior-year period (prior year: EUR 123 million). The higher distribution and marketing expenses were more than compensated by the increase in the gross profit margin. The adjusted EBITDA margin increased by 100 basis points to 34.6% (prior year: 33.6%).

AMERICAS

02|03 SALES DEVELOPMENT AMERICAS
(in EUR million)



02|04 PROFIT DEVELOPMENT AMERICAS
(in EUR million)



In the **Americas**, **sales** in the reporting currency dropped by 7% year-on-year to EUR 119 million (prior year: EUR 128 million). In local currencies, sales declined by 2% in the reporting period.

Wholesale business exerts pressure on sales in the Americas
In the **United States**, sales in the reporting currency dropped by 6% to EUR 91 million (prior year: EUR 97 million). This is equivalent to a 3% decline in sales in the local currency. The double-digit growth in sales in the Group's own retail business was unable to fully make up for the decline in the wholesale business.

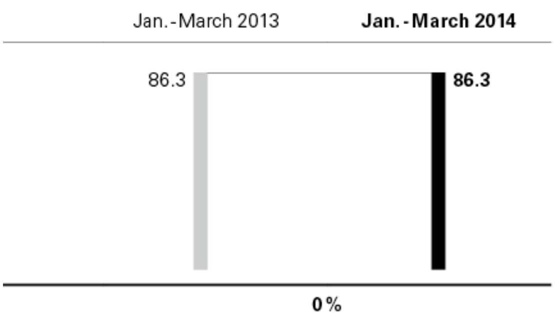
Sales in **Canada** in the reporting currency declined by 18% to EUR 14 million in the first three months of fiscal year 2014 (prior year: EUR 17 million). Owing to the challenging market environment, particularly in the wholesale channel, sales decreased by 7% after currency adjustments. Sales in **Central and South America** were stable in the reporting currency, amounting to EUR 14 million (prior year: EUR 14 million). On the other hand, a substantial increase of 15% was achieved in the local currencies.

Sales in the **Group's own retail business** rose by 5% in the reporting currency, coming to EUR 64 million at the end of the first quarter (prior year: EUR 60 million). This is equivalent to a currency-adjusted increase of 11%. Continued expansion of this distribution channel made a material contribution to this performance. Sales in the **wholesale channel** came to EUR 55 million in the same period (previous year: EUR 67 million). Accordingly, sales in this distribution channel dropped by 18% in Group currency and by 13% in local currencies. The takeover of stores previously operated by wholesale partners, especially in the United States, led to a shift in sales from the wholesale business to the Group's own retail business.

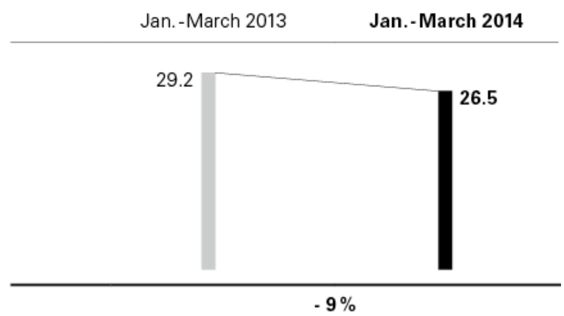
Decline in segment profit
At EUR 25 million, **segment profit** in the Americas was down on the comparable prior-year period (prior year: EUR 30 million). This development was mainly due to a disproportionately strong increase in fixed costs, particularly as a result of the expansion of the Group's own retail business, in connection with lower sales. At the end of the first three months of fiscal year 2014, the adjusted EBITDA margin in this region stood at 21.0%, 220 basis points below the prior-year figure of 23.2%.

ASIA/PACIFIC

02|05 SALES DEVELOPMENT ASIA/PACIFIC
(in EUR million)



02|06 PROFIT DEVELOPMENT ASIA/PACIFIC
(in EUR million)



At the end of the first three months of fiscal year 2014, **sales** in the reporting currency in **Asia/Pacific** came to EUR 86 million, on a par with the prior year (prior year: EUR 86 million). In local currencies, sales in this region were up 7% on the comparable prior-year period.

Negative exchange rate effects exert pressure on sales in the reporting currency

Sales in **China** came to EUR 53 million and, in the reporting currency, were down a slight 1% on the prior year (prior year: EUR 54 million). However, after currency adjustments, slight sales growth of 1% was achieved. Continued difficult conditions in the retail sector again exerted pressure on sales at the beginning of fiscal year 2014. In **Oceania** sales came to EUR 12 million, on a par with the prior-year period (prior year: EUR 12 million). Here as well, negative currency effects exerted pressure on sales in the reporting currency. Against the backdrop of challenging market conditions, sales rose by 12% in local currencies. At EUR 10 million, sales in **Japan** were 6% down on the prior year (prior year: EUR 10 million). This performance was materially due to the depreciation of the Japanese yen against the euro. After currency adjustments, sales in this region rose by 10% over the prior-year figure.

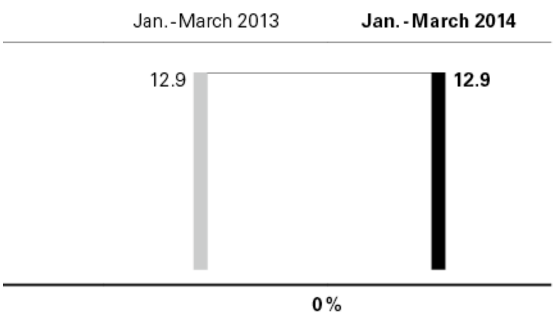
In the reporting currency, Asia/Pacific exhibited an increase of 5% in sales in the **Group's own retail business** to EUR 70 million (previous year: EUR 67 million). This is equivalent to growth of 12% in the local currencies. Thus, at EUR 17 million, sales with **wholesale** customers in the Group's reporting currency were 17% down on the prior year (prior year: EUR 20 million). This translates into a decline of 12% in local currencies.

Segment profit down on the prior year

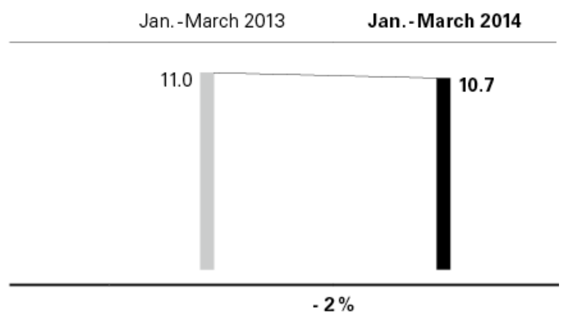
At EUR 27 million, **segment profit** in Asia/Pacific was down on the comparable prior-year period (prior year: EUR 29 million). The improvement in the gross profit margin was not sufficient to completely make up for the increase in fixed costs. The adjusted EBITDA margin in this region stood at 30.7%, 310 basis points down on the prior-year figure (prior year: 33.8%).

ROYALTIES

02|07 SALES DEVELOPMENT ROYALTIES
(in EUR million)



02|08 PROFIT DEVELOPMENT ROYALTIES
(in EUR million)



Royalties business stable

The **royalties business** was stable in the first three months of fiscal year 2014. The products manufactured by partners include fragrances, eyeware and watches. As in the prior year, sales with external licensees came to EUR 13 million (prior year: EUR 13 million). Royalties for watches in particular grew by a double-digit rate. Royalties for fragrances held steady over the prior-year period.

At EUR 11 million, the royalties **segment profit** was on a par with the comparable prior-year period (prior year: EUR 11 million).

NET ASSETS AND FINANCIAL POSITION

STRUCTURE OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AND KEY PERFORMANCE INDICATORS

Certain amounts shown here do not correspond to the figures reported in previous years and reflect adjustments made. → **Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections**

Total **assets** had risen at the end of the first quarter by 8% to EUR 1,525 million (March 31, 2013: EUR 1,413 million). This change was driven in particular by an increase in inventories and higher cash and cash equivalents.

02|09 STATEMENT OF FINANCIAL POSITION (in %)

ASSETS	March 31 2013	**March 31 2014**
Property, plant and equipment and intangible assets	36	**33**
Inventories	28	**28**
Trade receivables	18	**15**
Other assets	14	**15**
Cash and cash equivalents	4	**9**
TOTAL	100	**100**
Assets (in EUR million)	1,412.6	**1,525.3**

The **share of current assets** increased compared to the prior year to 60% (March 31, 2013: 57%). The **share of non-current assets** fell accordingly from 43% in the prior year to 40% as of March 31, 2014.

02|10 STATEMENT OF FINANCIAL POSITION (in %)

EQUITY AND LIABILITIES	March 31 2013	**March 31 2014**
Shareholders' equity	52	**54**
Provisions and deferred taxes	10	**11**
Trade payables	14	**13**
Other liabilities	11	**11**
Financial liabilities	13	**11**
TOTAL	100	**100**
Equity and liabilities (in EUR million)	1,412.6	**1,525.3**

Under **equity and liabilities**, the share of financial liabilities had fallen slightly as of the end of the reporting period, from 13% in the prior year to 11%. The **equity ratio** increased to 54% (March 31, 2013: 52%).

NET ASSETS

Under assets, **non-current assets** had fallen as of the end of the reporting period by 1% to EUR 504 million (March 31, 2013: EUR 512 million). The disposal of non-current assets in the amount of EUR 57 million from the deconsolidation of the Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG as of the end of the first half of 2013 was almost entirely compensated by investments in the further expansion and modernization of the Group's own retail business.

Expansion of own retail business leads to increase in inventories
Inventories had risen as of March 31, 2014 by 10% to 430 million (March 31, 2013: 391 million). Adjusted for currency effects, inventories rose by 16% year-on-year. The higher inventory level was driven in particular by the further expansion of the Group's own retail business. Measures to optimize inventory management limited the rise compared to the prior year.

Trade receivables fell year-on-year by 7% to EUR 231 million (March 31, 2013: EUR 250 million). Adjusted for currency effects this equates to a decrease of 4%. This change is essentially due to the fall in business in the wholesale channel. In contrast, receivables from the expansion of the concession model increased.

Other assets increased year-on-year by 9% to EUR 221 million (March 31, 2013: EUR 203 million), largely because of an increase in deferred tax assets and in rent deposits for the Group's own retail stores.

Cash and cash equivalents came to EUR 138 million as of the reporting date (March 31, 2013: EUR 57 million). The increase is mainly due to cash inflows from operating activities.

Under equity and liabilities, **provisions and deferred taxes**, at EUR 160 million, were 11% higher than in the prior year (March 31, 2013: EUR 144 million). This includes provisions for pensions and other personnel expenses in the amount of EUR 75 million (March 31, 2013: EUR 78 million). Other provisions of EUR 69 million (March 31, 2013: EUR 47 million) and deferred tax liabilities of EUR 16 million (March 31, 2013: EUR 19 million) are also recognized here.

Trade payables increased year-on-year by 2% to EUR 200 million (March 31, 2013: EUR 195 million). Adjusted for currency effects, this corresponds to a rise of 3%.

Total **current and non-current financial liabilities** had decreased as of the reporting date by 10% to EUR 169 million (March 31, 2013: EUR 188 million). This change was principally driven by lower utilization of the syndicated loan compared to the prior year, at EUR 100 million (March 31, 2013: EUR 110 million). In addition to the utilized tranche of this loan, financial liabilities include negative fair values of interest and currency hedges totaling EUR 4 million (March 31, 2013: EUR 7 million).

Other liabilities increased year-on-year by 9% to EUR 174 million (March 31, 2013: EUR 159 million). The key driver of this difference was the rise in accrued liabilities from leases for the Group's own retail business following the expansion of this sales channel.

Trade net working capital as a percentage of sales below prior-year level

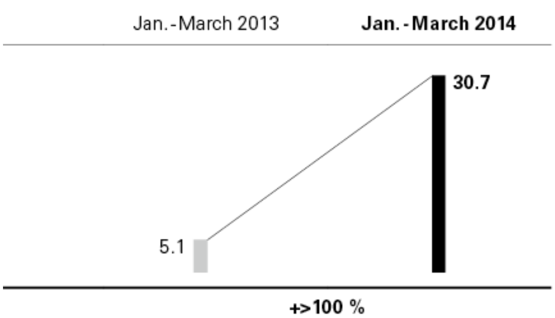
Trade net working capital is the HUGO BOSS Group's key performance indicator for measuring the efficiency of capital employed. The only components factored into its calculation are inventories, trade receivables and trade payables.

Compared to the prior year, trade net working capital increased by 4% to EUR 461 million (March 31, 2013: EUR 445 million). The increase in inventories could only be partially compensated by the reduction in trade receivables and rise in trade payables.

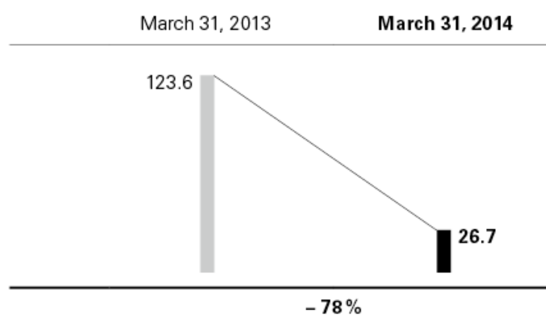
The 12-month moving average of the **trade net working capital as a percentage of sales**, at 17.9%, remained at the record level achieved in December 2013 and was therefore significantly lower than the prior-year level (prior year: 19.7%). This improvement is attributable in particular to effective measures to reduce inventory.

FINANCIAL POSITION

02|11 FREE CASH FLOW (in EUR million)



02|12 NET FINANCIAL LIABILITIES (in EUR million)



STATEMENT OF CASH FLOWS

The statement of cash flows is presented in accordance with IAS 7. The cash and cash equivalents reported here correspond to the "Cash and cash equivalents" item in the balance sheet. These figures cannot be drawn from the balance sheet since the presentation in the statement of cash flows is adjusted for currency effects.

Cash inflow from operating activities up significantly year-on-year

The **cash inflow from operating activities** came to EUR 50 million, up significantly on the figure for the comparable quarter in the prior year: EUR 36 million). Continued strict management of the trade net working capital and a fall in net interest expenses because of the Group's lower financial liabilities contributed to this improvement.

The **cash outflow from investing activities**, at EUR 19 million, was down compared to the prior year (prior year: EUR 31 million). The key drivers of this development were the capital expenditure on the expansion of logistics capacity in the prior year and investment into the construction of an administration building in Metzingen.

Free cash flow, measured as the cash inflow from operating activities and the cash outflow from investing activities, increased by EUR 26 million in the reporting period to EUR 31 million (prior year: EUR 5 million).

The **cash outflow from financing activities** totaled EUR 11 million in the first three months of fiscal year 2014 (prior year: EUR 203 million), essentially because non-current liabilities were repaid. The cash outflow from financing activities in the prior year was affected by the repayment of the fixed tranche of the syndicated loan in the amount of EUR 300 million. On the other hand, there was a cash inflow from the utilization of the new financing arrangement.

As of the reporting date, **cash and cash equivalents** amounted to EUR 138 million (March 31, 2013: EUR 57 million).

NET FINANCIAL LIABILITIES

Net financial liabilities are the total of all financial liabilities due to banks less cash and cash equivalents.

Net financial liabilities improve

Financial liabilities due to banks, excluding negative fair values of interest and currency hedges, came to EUR

165 million, down on the prior-year level (March 31, 2013: EUR 181 million). Cash and cash equivalents held as a liquidity reserve increased from EUR 57 million in the prior year to EUR 138 million as of March 31, 2014.

As a result, **net financial liabilities** had improved from EUR 124 million by EUR 97 million to EUR 27 million as of March 31 2014, reaching a record low. This change was mainly driven by lower borrowing requirements due to the deconsolidation of the Distributionszentrum Vermietungsgesellschaft mbH & Co. Objekt HUGO BOSS Filderstadt KG and the inflow of cash from operating activities.

CAPITAL EXPENDITURE

Capital expenditure focuses on own retail business
The HUGO BOSS Group's total capital expenditure on property, plant and equipment and intangible assets came to EUR 21 million in the three-month period, significantly below the prior-year level (prior year: EUR 31 million). The decrease is mainly attributable to the investments made in the expansion of logistics capacities in the comparable prior-year period.

Accounting for 78% of the total volume, **the global expansion and modernization of the Group's own retail business** continued to be the focus of investing activities in the reporting period (prior year: 38%). This represents a total capital expenditure of EUR 16 million (prior year: EUR 12 million).

Capital expenditure on **openings of new retail stores** came to EUR 9 million in the first three months of fiscal year 2014 (prior year: EUR 7 million). In Europe, a flagship store opened in Rome and further retail stores opened in France.

In addition, EUR 7 million was invested in the **renovation and modernization** of existing retail locations in all three regions in the first quarter (prior year: EUR 5 million). In Europe, for example, retail stores in Zurich and Amsterdam were renovated. The main focus in the Americas was on the renovation of the store in the Valley Fair Mall in Santa Clara.

Capital expenditure on the Group's **production, logistics and distribution structure** as well as on **research and development** came to EUR 2 million (prior year: EUR 14 million).

Investment in **administration** in the first quarter of 2014 amounted to EUR 3 million (prior year: EUR 5 million). This includes EUR 2 million spent on the IT infrastructure.

REPORT ON RISKS AND OPPORTUNITIES

HUGO BOSS has a comprehensive risk management system enabling Management to identify and analyze opportunities and risks as well as to take appropriate measures at an early stage. The risk situation has not changed materially compared to the reporting year 2013. A detailed overview of risks and opportunities can be found in the annual report 2013. All statements included therein regarding risks and opportunities continue to be valid.

SUBSEQUENT EVENTS AND OUTLOOK

HUGO BOSS expects continued growth in 2014 despite a still-challenging economic and sector-specific environment. The implementation of the Group strategy and initiatives derived from it will take sales and operating profit to new record levels in the Company's history. Group sales will grow at a high single-digit rate after adjustment for currency effects. HUGO BOSS also anticipates that it will be able to increase the operating profit (EBITDA before special items) at a rate in the range of high single-digits.

SUBSEQUENT EVENTS

No reportable events
Between the end of the first quarter of 2014 and the publication of this report, there were no material macro-economic, socio-political, sector-related or company-specific changes that the Management expects to have a significant influence on the results of operations, net assets, and financial position of the Group.

OUTLOOK

Forward-looking statements
The following report sets out the HUGO BOSS Management's forecasts for future business performance and describes the anticipated development of the main economic and sector conditions. It reflects the current knowledge of the Management at the time the report was prepared, while also taking into account 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 in the 2013 annual report. Other than the statutory publication requirements, the HUGO BOSS Group does not assume any obligation to update the statements contained in this report.

Business development subject to external influences
Economic and industry-specific developments influence HUGO BOSS' operating and financial development. It is therefore very important for the Group to identify related trends at an early stage so that it can react to them in good time with suitable measures.

Economic growth set to accelerate in the course of the year
Despite a mixed start to the year, the IMF expects an upturn in growth for the **global economy** of 3.6% for the full year 2014. Low pressure to cut debt in many important economies, the commitment by central banks to only reduce their monetary stimulus measures at a slow rate and an acceleration of world trade in the course of the year should support economic growth. However, a lack of structural reforms in some emerging economies and associated currency turbulences as well as increasing geopolitical tensions in Europe entail risks to global economic growth. The continuing high levels of debt and historically low rates of inflation in many European countries and the United States could also pose a threat to growth.

European economy returns to growth
According to the IMF's estimates, the **European** economy should be back on track for growth in the year 2014 and should expand by 1.2%. Scaled-back government austerity measures, the revival in global and European exports, higher investment spending and a slight recovery in private consumption should support this development. Faltering reform efforts, continuing high government debt in many of the region's countries, historically low inflation rates and growing tensions in the conflict in Ukraine, however, pose risks to economic recovery. For Germany, the IMF expects growth of 1.7% in 2014, once more above the average for the region as a whole.

Robust growth in domestic demand will help to bolster this development. Although growth in France will increase to 1.0% with the global upturn, the slow implementation of economic reforms is likely to have a further depressive effect. Economic growth in Great Britain is expected to rise to 2.9%, principally thanks to increasing investment and positive stimulus from the export industry.

Robust expansion expected for American economy

After a somewhat weaker start to the year due to weather conditions, the IMF predicts that the **U.S. economy** should enjoy higher growth, rising to 2.8% for the full year 2014. Continuing expansive monetary policy, perceptibly lower fiscal withdrawal effects, increasing improvement in the employment market and rising wages should boost economic growth in the form of rising private consumer spending and increased corporate investments. The **Latin American economy** should also grow by 2.5% in 2014 according to the IMF, slightly more slowly than in the previous year. Growth will suffer, particularly in the key markets of Brazil and Argentina, from the pressure on local currencies, a lack of structural reforms and high production costs.

Moderate economic growth in Asia

Growth in the **Asian economy** should increase over the rest of the year following a modest pace in the first quarter. The IMF reckons with a slightly more rapid pace of growth than last year at 6.7% for the region as a whole. The IMF considers that the Chinese economy will grow by 7.5%. This represents a slight slowdown compared to the prior year, but is exactly in line with the Chinese government's growth objectives. However, the forecast presumes that there will be a revival in world trade and further infrastructure investments and reforms to stimulate private consumption. The increase in value added tax which took effect in April and the end of government support measures in Japan are likely to have a temporary negative impact on the country's economic development, so that growth for the full year is expected to slightly lag the prior year's. Growth rates in Australia should rise somewhat, partly because of a modest increase in private consumption and a recovery in the export sector compared to the prior year.

Continued sector growth in 2014

Growth in the premium and luxury goods sector is expected to continue in 2014. According to Altagamma and Bain & Company, there will be a slight slowdown compared to the prior year, and currency-neutral growth will be in the range of low- to mid-single digits. It is expected that companies in the sector will continue to focus primarily on their own retail businesses. However, the number of new store openings is likely to drop compared to prior years. Instead, many market players will concentrate on upgrading existing stores in order to improve the shopping experience and achieve productivity gains. Growing importance is being attributed to the online sales channel and its integration into bricks-and-mortar retailing. In contrast, department stores and specialist multi-brand dealers, many of them owner-managed, are under pressure.

All regions will probably contribute to the sector's growth in 2014. Tourism, particularly from Asian countries, will lead to an increasing shift of sales toward the European and American markets. Despite the gradual improvement of economic conditions in Western and, above all, Southern Europe, the industry's growth in **Europe** will continue to suffer from subdued consumer sentiment and declining customer footfall in retail stores in many areas. In the **Americas**, prospects are very uncertain against the background of the significant cooldown in the industry's development at the beginning of the year. Positive macroeconomic prospects overall should, however, have a supporting effect over the remainder of the year. Despite normalizing growth rates, the fastest growth in the industry is once more forecasted to take place in **Asia**. However, the slower growth of the Chinese economy and the sustained anti-corruption campaign being waged by the Chinese government are likely to continue to curb local demand for luxury goods. Nevertheless, Chinese consumers should also contribute to the growth of the luxury goods sector in 2014 in the form of tourism outside China. The rise in value added tax in Japan is likely to have a negative effect on industry growth to start with, but the weakness of the Japanese Yen should further stimulate domestic demand.

Significant increase in Group sales expected
Despite the continuing challenging economic and industry-specific situation in many markets, HUGO BOSS expects to increase its currency-neutral sales in 2014 by a growth rate in the high single-digit range. The Group assumes that its growth will outperform that of the global economy and the luxury goods industry.

OUTLOOK 2014

SALES GROWTH (CURRENCY-NEUTRAL)	High single-digit
GROWTH IN EBITDA BEFORE SPECIAL ITEMS	High single-digit
CAPITAL EXPENDITURE	EUR 110 million to EUR 130 million
OWN RETAIL NETWORK	Opening of about 50 new stores

Growth forecasted in all regions
All regions will probably contribute to the Group's forecasted sales growth in 2014. Growth is expected in all key European markets, supported by the region's increasing orientation towards the Group's own retail business. A positive trend is forecasted for the Americas region, with a particular contribution from the U.S. market. The Group is also planning for increases in Asia. In the key Chinese market especially, HUGO BOSS is working on the implementation of a range of measures to speed up growth compared with the prior year. Sales in the royalties segment should also see a positive development.

Own retail business projected to see double-digit growth
Sales in the Group's own retail business are likely to grow significantly at a double-digit rate in 2014. In addition to increases at the Company's own retail stores, the online business will contribute with above-average growth rates. As well as the contribution to sales from additions to the store network, an increase in like-for-like sales is also forecasted. This will be supported by stepped-up brand communication activities and the implementation of measures to improve retail management. Taking over mono-brand selling spaces previously managed by retail partners or franchisees will have a moderately positive impact on the growth of Group sales. A more or less stable sales trend is forecasted for the wholesale segment. This outlook is based on the development of order intake, feedback from trading partners on the new collections and expectations about the replenishment business. The progressive consolidation of the Company's customer portfolio and associated fall in business with smaller trading partners will have a negative impact on the trend in sales in this channel.

Growth in retail network to continue
The HUGO BOSS Group will expand its own retail business further and open around 50 new stores in 2014. Based on an analysis of its market penetration, the Group sees opportunities to profitably increase its selling space in all regions. Alongside organic new store openings, the Group takes over HUGO BOSS shop-in-shop units in Australia previously managed by a retail partner. The Group will also close points of sale in the course of improving the quality of its store portfolio, particularly in Asia. In many cases, this development will be connected to the relocation and consolidation of existing stores in more up-market, larger points of sale.

Gross profit margin will increase
HUGO BOSS expects an increase in its gross profit margin in 2014. While efficiency improvements in production and sourcing will probably be offset by rising labor costs, the growing own retail share of sales will support

this increase. The gross profit margin earned in this distribution channel is higher than that of the wholesale business.

Operating expenses will rise due to retail expansion and higher marketing expenses

The Group's operating expenses will increase, mainly due to the continuing expansion of its own retail business. In addition, the Group will significantly increase its marketing expenses compared to the prior year in order to strengthen customer demand. Logistics expenses will rise because of the opening of the new flat-packed goods distribution center in Germany. The one-time cost effects associated with the migration of the existing sites in the first half of the year will override the positive effects from reduced handling costs. A moderate increase in research and development costs is also expected. Overall, however, administrative costs will grow at a slower rate than sales.

Increase in operating profit in high single-digit range forecasted

The forecasted increases in sales and gross profit margin will support a rise in operating profit (EBITDA before special items) in the high single-digit range. The adjusted operating margin is therefore likely to remain stable. The Group's net income and earnings per share are also expected to rise at a high single-digit rate. Alongside the increase in operating profit, a fall in net financial expenses due to lower average liabilities will contribute to this development.

Strict management of trade net working capital

Strict management of trade net working capital continues to have a high priority in order to support improvements in operating cash flow. In the current year, the Group aims to consolidate the significant progress achieved in the prior year and keep the ratio of average trade net working capital to sales stable at around the level reached at the end of 2013. It sees particular further improvement potential in reducing the days inventories outstanding. The Group is therefore aiming to reduce this metric, particularly in its own retail business, by the more frequent turn of the product range resulting from the changed collection cycle and improved planning of merchandise flows.

Investing activities to focus on own retail business

Capital expenditure in 2014 will focus on the expansion of the Group's own retail activities and the renovation of existing stores and shops. The Group will also strengthen its operational infrastructure in the areas of IT, logistics and production. Capital expenditure will therefore come to between EUR 110 million and EUR 130 million in 2014.

Strong cash flow development supports positive net financial position

The Group expects that cash flow will develop strongly in 2014, primarily due to the forecasted increase in earnings, strict management of trade net working capital and value-enhancing capital expenditure. Funds in excess of the dividend payment will be held as a liquidity reserve. Accordingly, the Group assumes that cash and cash equivalents will exceed gross financial liabilities at the end of the year. In light of the Group's strong internal financing power and long-term financing concluded on favorable terms in the form of a syndicated loan, the Group is not planning any significant financing activities in 2014.

Increase in dividend per share

HUGO BOSS pursues a profit-based dividend policy under which the shareholders participate appropriately in the development of the Group's profit. Between 60% and 80% of net income is to be distributed to the shareholders on a regular basis. On the basis of the increase in profits in fiscal year 2013, the strength of the Company's balance sheet and the positive expectations for 2014, the Managing Board and Supervisory Board intend to propose to the Annual Shareholders' Meeting on May 13, 2014, a dividend of EUR 3.34 per share (2012: EUR 3.12). The proposal corresponds to a payout ratio of 70% of net income attributable to the shareholders of the parent company in 2013 (2012: 70%). If the shareholders approve the proposal, the dividend will be paid out on the day following the Annual Shareholders' Meeting, i.e. on May 14, 2014. Based on the number of shares outstanding at the end of the first quarter of 2014, the amount distributed will total EUR 231 million (2012: EUR 215 million).

Further improvements in sales and earnings planned for the year 2015 and beyond

The Group also plans to achieve increases in sales and earnings in the year 2015 and beyond. Its strategy here is based on organic growth of the existing brand portfolio. Consolidated sales are planned to reach EUR 3 billion in 2015. More than 60% of sales will then be generated by sales in the Group's own retail business. The Group likewise expects to generate a larger share of its sales in emerging economies in the future and therefore to achieve a more balanced spread of its revenue by region. HUGO BOSS has also set itself the goal of earning an adjusted operating margin (EBITDA before special items in relation to sales) of 25%. To this end, the Group is planning further progress in 2015. Negative macroeconomic and industry-specific developments in core markets, cost inflation in sourcing processes as well as a decline in the attractiveness of the Group's brands could jeopardize the achievement of these goals. The Group has taken precautions to limit the probability of these or other risks occurring and their impact if they do. Details can be found in the risk report in the 2013 annual report.

SUMMARY ON EARNINGS, NET ASSETS AND FINANCIAL POSITION

In summary, the results of operations, net assets and financial position indicate that the HUGO BOSS Group continued to be in a sound financial position at the time when this report for the first three months of the fiscal year 2014 was prepared.

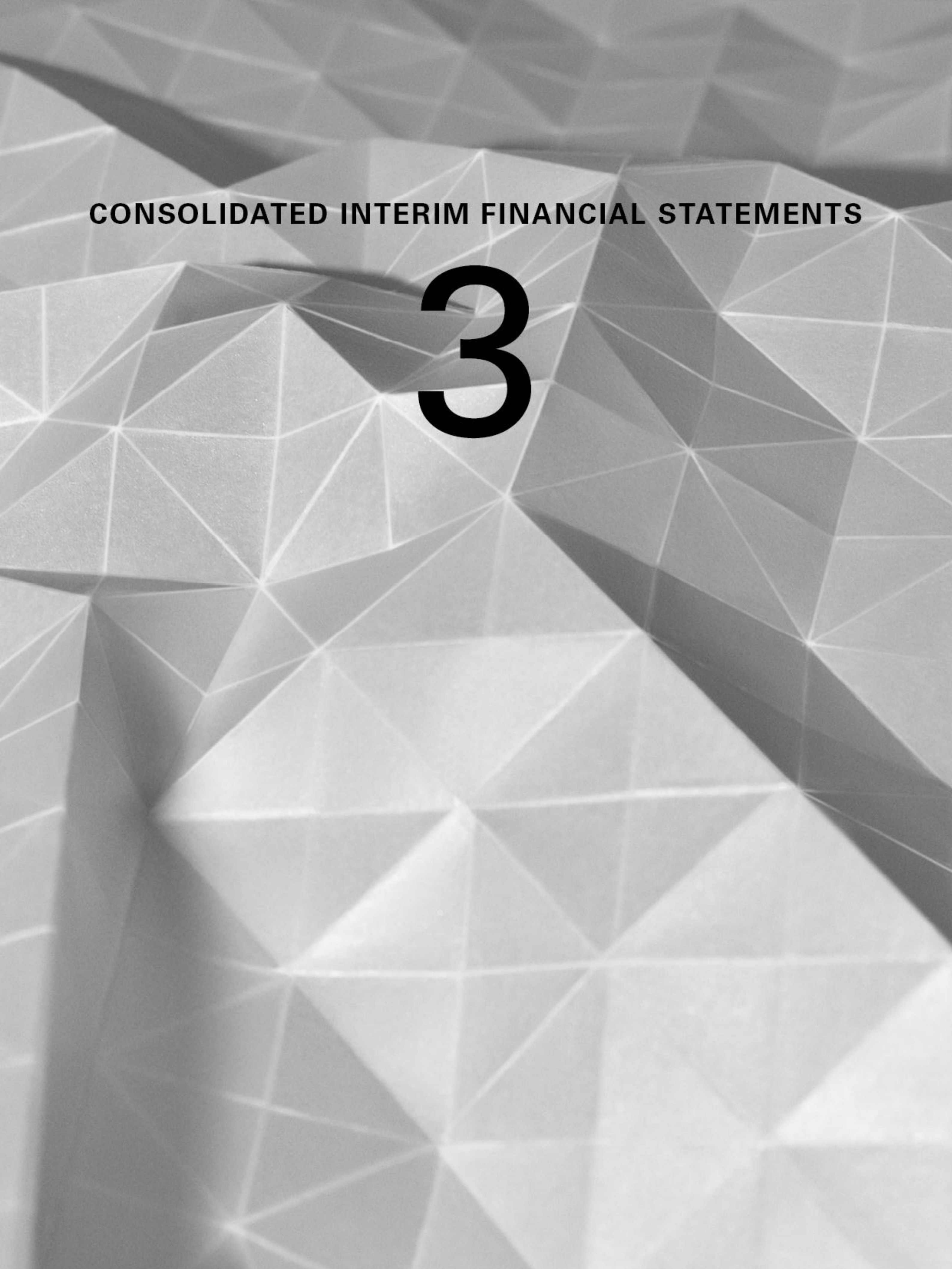
Metzingen, April 23, 2014

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

CONSOLIDATED INTERIM FINANCIAL STATEMENTS

3



CONSOLIDATED INCOME STATEMENT

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

(in EUR million)

	2014	2013[1]
Sales	**612.6**	**593.5**
Cost of sales	(212.0)	(226.7)
Gross profit	**400.6**	**366.8**
In % of sales	65.4	61.8
Selling and distribution expenses	(232.5)	(196.5)
Administration expenses	(60.9)	(59.0)
Other operating income and expenses	1.5	0.1
Operating result (EBIT)	**108.7**	**111.4**
Net interest income/expenses	**(0.6)**	**(3.9)**
Other financial items	**(2.1)**	**(1.1)**
Financial result	**(2.7)**	**(5.0)**
Earnings before taxes	**106.0**	**106.4**
Income taxes	(24.4)	(24.4)
Net income	**81.6**	**82.0**
Attributable to:		
Equity holders of the parent company	80.7	81.6
Non-controlling interests	0.9	0.4
Earnings per share (EUR)[2]	**1.17**	**1.18**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

[2] Basic and diluted earnings per share.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

(in EUR million)

	2014	2013[1]
Net income	**81.6**	**82.0**
Items that will not be reclassified to profit or loss		
Remeasurements of defined benefit plans	(0.1)	0.0
Items to be reclassified subsequently to profit or loss		
Currency differences	1.6	8.9
Net loss/gain from marking hedges to market	(0.8)	3.5
Other comprehensive income, net of tax	**0.7**	**12.4**
Total comprehensive income	**82.3**	**94.4**
Attributable to:		
Equity holders of the parent company	81.9	93.2
Non-controlling interests	0.4	1.2
Total comprehensive income	**82.3**	**94.4**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

OF THE HUGO BOSS GROUP AS OF MARCH 31, 2014

(in EUR million)

Assets	March 31, 2014	March 31, 2013[1]	Dec. 31, 2013
Intangible assets	136.4	140.5	139.2
Property, plant and equipment	367.9	371.4	368.6
Deferred tax assets	81.0	69.6	80.7
Non-current financial assets	16.0	15.8	17.4
Non-current tax receivables	1.7	2.1	1.7
Other non-current assets	4.0	2.6	3.9
Non-current assets	**607.0**	**602.0**	**611.5**
Inventories	430.4	390.9	440.8
Trade receivables	231.0	249.7	226.2
Current tax receivables	11.9	15.4	10.8
Current financial assets	18.5	17.9	23.3
Other current assets	88.1	79.4	69.4
Cash and cash equivalents	138.4	57.3	119.3
Current assets	**918.3**	**810.6**	**889.8**
TOTAL	**1,525.3**	**1,412.6**	**1,501.3**

Equity and liabilities	March 31, 2014	March 31, 2013[1]	Dec. 31, 2013
Subscribed capital	70.4	70.4	70.4
Own shares	(42.3)	(42.3)	(42.3)
Capital reserve	0.4	0.4	0.4
Retained earnings	782.0	668.8	701.5
Accumulated other comprehensive income	(14.4)	2.8	(15.8)
Equity attributable to equity holders of the parent company	**796.1**	**700.1**	**714.2**
Non-controlling interests	26.5	25.8	26.1
Group equity	**822.6**	**725.9**	**740.3**
Non-current provisions	54.4	54.5	52.7
Non-current financial liabilities	154.1	154.8	164.8
Deferred tax liabilities	16.4	18.9	17.5
Other non-current liabilities	30.6	12.4	30.9
Non-current liabilities	**255.5**	**240.6**	**265.9**
Current provisions	88.8	71.0	99.9
Current financial liabilities	15.3	32.7	14.6
Income tax payables	59.6	53.2	63.4
Trade payables	200.1	195.3	235.3
Other current liabilities	83.4	93.9	81.9
Current liabilities	**447.2**	**446.1**	**495.1**
TOTAL	**1,525.3**	**1,412.6**	**1,501.3**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

(in EUR million)

				Retained earnings		Accumulated other comprehensive income		Group equity		
	Subsribed capital	Own shares	Capital reserve	Legal reserve	Other reserves	Currency translation	Gains/losses from cash flow hedges	Total before non-controlling interests	Non-controlling interests	Group equity
January 1, 2013 (as reported)	**70.4**	**(42.3)**	**0.4**	**6.6**	**586.9**	**(5.2)**	**(3.5)**	**613.3**	**24.6**	**637.9**
Change in accounting policies/corrections					(6.3)			(6.3)		(6.3)
January 1, 2013 (adjusted)[1]	**70.4**	**(42.3)**	**0.4**	**6.6**	**580.6**	**(5.2)**	**(3.5)**	**607.0**	**24.6**	**631.6**
Net income					81.6			81.6	0.4	82.0
Other income						8.0	3.5	11.6	0.8	12.4
Comprehensive income					**81.6**	**8.0**	**3.5**	**93.2**	**1.2**	**94.4**
March 31, 2013[1]	**70.4**	**(42.3)**	**0.4**	**6.6**	**662.2**	**2.8**	**0.0**	**700.1**	**25.8**	**725.9**
January 1, 2014	**70.4**	**(42.3)**	**0.4**	**6.6**	**694.9**	**(16.7)**	**0.9**	**714.2**	**26.1**	**740.3**
Net income					80.7			80.7	0.9	81.6
Other income					(0.2)	2.2	(0.8)	1.2	(0.5)	0.7
Comprehensive income					**80.5**	**2.2**	**(0.8)**	**81.9**	**0.4**	**82.3**
March 31, 2014	**70.4**	**(42.3)**	**0.4**	**6.6**	**775.4**	**(14.5)**	**0.1**	**796.1**	**26.5**	**822.6**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

CONSOLIDATED STATEMENT OF CASH FLOWS

OF THE HUGO BOSS GROUP FOR THE PERIOD FROM JANUARY 1 TO MARCH 31, 2014

(in EUR million)

	2014	2013
Net income	81.6	82.0
Depreciation/amortization	24.1	21.3
Unrealized net foreign exchange gain/loss	(0.6)	0.0
Other non-cash transactions	3.2	0.1
Income tax expense/refund	24.4	24.4
Interest income and expenses	0.6	3.9
Change in inventories	11.3	33.3
Change in receivables and other assets	(19.8)	(42.6)
Change in trade payables and other liabilities	(32.5)	(33.4)
Result from disposal of non-current assets	(1.6)	0.7
Change in provisions for pensions	1.4	0.8
Change in other provisions	(11.2)	(22.0)
Income taxes paid	(30.6)	(28.6)
Cash flow from operations	**50.3**	**39.9**
Interest paid	(1.0)	(4.4)
Interest received	0.5	0.6
Cash flow from operating activities	**49.8**	**36.1**
Investments in property, plant and equipment	(18.8)	(30.1)
Investments in intangible assets	(1.9)	(1.3)
Acquisition of subsidiaries and other business entities less cash and cash equivalents acquired	0.0	0.3
Cash receipts from sales of property, plant and equipment and intangible assets	1.6	0.1
Cash flow from investing activities	**(19.1)**	**(31.0)**
Change in current financial liabilities	0.0	(310.7)
Change in non-current financial liabilities	(10.9)	108.0
Repayment of non-current financial liabilities	(0.5)	(0.5)
Cash flow from financing activities	**(11.4)**	**(203.2)**
Exchange-rate related changes in cash and cash equivalents	(0.2)	0.8
Change in cash and cash equivalents	**19.1**	**(197.3)**
Cash and cash equivalents at the beginning of the period	119.3	254.6
Cash and cash equivalents at the end of the period	**138.4**	**57.3**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

CONDENSED NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1 // GENERAL INFORMATION

The interim financial statements of HUGO BOSS AG as of March 31, 2014, were prepared pursuant to Sec. 37x WpHG ["Wertpapierhandelsgesetz": Securities Trading Act] in accordance with the International Financial Reporting Standards (IFRSs) and their interpretations applicable as of the reporting date. The provisions of IAS 34 on interim financial reporting were applied in particular.

This interim report and the condensed notes to the financial statements were neither audited in accordance with Sec. 317 HGB ["Handelsgesetzbuch": German Commercial Code] nor reviewed by a person qualified to audit financial statements. By resolution dated April 23, 2014, the condensed interim financial statements and the interim management report were authorized for issue to the Supervisory Board by the Managing Board. Before they were published, the interim management report and the condensed interim financial statements were also discussed with the audit committee of the Supervisory Board.

2 // ACCOUNTING POLICIES

All the interim financial statements of the companies included in the consolidated interim financial statements were prepared in accordance with uniform accounting policies. A detailed description of the accounting policies and consolidation measures applied can be found in the notes to the 2013 consolidated financial statements. As of January 1, 2014, the adoption of new or amended IFRSs did not result in any change in the accounting policies.

CHANGED ACCOUNTING RULES

The application of the miscellaneous amendments to IFRS 10, IFRS 11 and IFRS 12 and to IAS 32, IAS 36 and IAS 39 did not result in any changes to the Group's net assets, financial position or results of operations.

CHANGES IN ACCOUNTING POLICIES/CORRECTIONS

The changes in accounting policies and corrections described in the 2013 consolidated financial statements were also taken into account as of March 31, 2014. As of December 31, 2013, the prior-year figures were adjusted with retroactive effect in accordance with the requirements of IAS 8.

3 // CURRENCY TRANSLATION

The most important exchange rates applied in the interim financial statements developed as follows in relation to the euro in the reporting period:

	Currency	Average rate			Closing rate		
Country	1 EUR =	**Jan. – March 2014**	Jan. – March 2013	Jan. – Dec. 2013	**March 31, 2014**	March 31, 2013	Dec. 31, 2013
Australia	AUD	1.5282	1.2714	1.3764	1.4886	1.2308	1.5423
China	CNY	8.3540	8.2209	8.1636	8.5474	7.9600	8.3491
Great Britain	GBP	0.8280	0.8506	0.8492	0.8272	0.8456	0.8337
Hong Kong	HKD	10.6286	10.2425	10.2989	10.6741	9.9420	10.6933
Japan	JPY	140.8343	121.6651	129.5244	140.9000	120.8700	144.7200
Switzerland	CHF	1.2238	1.2281	1.2310	1.2186	1.2195	1.2276
U.S.A.	USD	1.3696	1.3206	1.3278	1.3759	1.2805	1.3791

4 // ECONOMIC AND SEASONAL INFLUENCES

As a globally operating company, the HUGO BOSS Group is exposed to a variety of economic developments. Sector-related seasonal fluctuations are typical for HUGO BOSS. However, the business of HUGO BOSS has changed fundamentally over the past few years. The business, which used to be dominated by the two pre-order seasons (spring/summer and fall/winter) with early orders placed accordingly, has become increasingly more complex. Pre-order business now consists of four seasonal pre-sales every year. Furthermore, the importance of seasonal influence is declining as a result of the global expansion of the Group's own retail operations. Moreover, HUGO BOSS is seeking to increase efficiency through greater use of replenishment business to service less fashion-oriented items. The number of monthly theme-oriented deliveries is also increasing continuously. These factors are steadily reducing the seasonality of HUGO BOSS' business.

5 // BASIS OF CONSOLIDATION

In the reporting period from January 1 to March 31, 2014, there was no change in the number of consolidated companies in comparison to the consolidated financial statements as of December 31, 2013. Accordingly, there are still 55 consolidated companies.

6 // NON-CONTROLLING INTERESTS IN CONSOLIDATED NET INCOME

The consolidated financial statements include companies in which HUGO BOSS AG has a shareholding that is less than 100%. In accordance with IAS 27, non-controlling interests are reported in the statement of financial position within equity, separately from equity attributable to equity holders of the parent company. Net income attributable to non-controlling interests is likewise reported separately in the consolidated income statement.

7 // SELECTED NOTES TO THE CONSOLIDATED INCOME STATEMENT

COST OF SALES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013[1]
Cost of purchase	183.7	198.3
Cost of conversion	15.2	15.7
Capitalized overheads	13.1	12.7
TOTAL	**212.0**	**226.7**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

Cost of purchase includes the cost of materials, which equals the value of the inventories recorded as expense in the reporting period, as well as freight-in and customs costs.

Capitalized overheads comprise the cost of technical product development in the third phase of the collection creation process and the overhead costs of the product implementation and procurement phase.

SELLING AND DISTRIBUTION EXPENSES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013[1]
Expenses for Group's own retail business, indirect sales and marketing organization	163.9	140.2
Marketing expenses	40.8	33.2
Logistic expenses	16.2	11.4
Direct selling expenses	11.1	12.5
Bad debt allowances/losses	0.5	(0.8)
TOTAL	**232.5**	**196.5**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

The expenses for the Group's own retail business and indirect sales and marketing organization mostly relate to personnel and rental expenses for wholesale distribution and retail services.

Selling expenses primarily contain sales-based commission, freight-out and customs costs as well as credit card charges.

ADMINISTRATION EXPENSES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013[1]
General administrative expenses	45.2	44.8
Research and development costs	15.7	14.2
TOTAL	**60.9**	**59.0**

[1] Due to changes in accounting policies and corrections made, certain amounts shown here do not correspond to the figures reported in prior years (for details see Annual Report 2013, Notes to the consolidated financial statements, Changes in accounting policies/corrections).

Administration expenses primarily comprise rent for premises, maintenance expenses, IT operating expenses and legal and consulting fees as well as personnel expenses in these functions. Research and development costs in the HUGO BOSS Group primarily relate to the creation of collections.

OTHER OPERATING EXPENSES AND INCOME

Other operating expenses and income resulted in a net income of EUR 2 million (prior year: EUR 0 million) in the first quarter of 2014. This was mainly related to the sale of a showroom in France.

PERSONNEL EXPENSES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Wages and salaries	109.0	102.9
Social security	17.9	16.6
Expenses and income for retirement and other employee benefits	1.7	1.3
TOTAL	**128.6**	**120.8**

EMPLOYEES

	March 31, 2014	Dec. 31, 2013
Industrial employees	4,271	4,234
Commercial and administrative employees	8,088	8,262
TOTAL	**12,359**	**12,496**

AMORTIZATION AND DEPRECIATION

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Non-current assets		
Property, plant and equipment	19.4	17.2
Intangible assets	4.7	4.1
TOTAL	**24.1**	**21.3**

COST OF MATERIALS

In the first quarter of 2014, the cost of materials amounted to EUR 176 million (2013: EUR 177 million).

8 // EARNINGS PER SHARE

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Net income attributable to equity holders of the parent company	80.7	81.6
Average number of shares outstanding[1]	69,016,167	69,016,167
Earnings per share (EPS) in EUR[2]	1.17	1.18

[1] Not including own shares.

[2] Basic and diluted earnings per share.

Pursuant to IAS 33, earnings per share are calculated by dividing the consolidated net income for the year by the weighted average number of shares outstanding during the reporting period. There were no shares outstanding capable of diluting earnings per shares as of March 31, 2014, or March 31, 2013.

9 // OWN SHARES

In the first three months of fiscal year 2014, HUGO BOSS AG did not buy back any of its own shares. As a result, the HUGO BOSS AG holds a total of 1,383,833 ordinary shares. This corresponds to a share of 1.97% or EUR 1,383,833 of the share capital. The total number of own shares contains 855,278 former preferred shares, which were converted into ordinary shares on June 15, 2012. The Annual Shareholders' Meeting of HUGO BOSS AG had approved the conversion of preferred shares into ordinary shares on May 3, 2012.

10 // PROVISIONS FOR PENSIONS AND SIMILAR OBLIGATIONS

PROVISIONS FOR PENSIONS

(in EUR million)

	March 31, 2014	Dec. 31, 2013
Provisions for pensions	31.3	29.8
TOTAL	**31.3**	**29.8**

The actuarial calculation of the defined benefit obligation included the planned service cost and the expected return on plan assets as well as relevant parameters. In the first three months of fiscal year 2014, the parameters interest rate, pension trend, salary increases and expected return on plan assets remained unchanged in comparison to December 31, 2013.

PENSION EXPENSES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Current service cost	1.4	1.5
Net interest cost	0.3	0.2
Thereof interest cost from DBO	0.9	0.8
Thereof net interest from asset ceiling	0.0	0.0
Thereof return on plan assets	(0.6)	(0.6)
Pensions expenses for the period	**1.7**	**1.7**

11 // ADDITIONAL DISCLOSURES ON FINANCIAL INSTRUMENTS

Set out below is a comparison of the carrying amounts and fair value of the Group's financial instruments that are recognized in the financial statements.

CARRYING AMOUNTS AND FAIR VALUES BY CATEGORY OF FINANCIAL INSTRUMENTS

(in EUR million)

		March 31, 2014		Dec. 31, 2013	
Assets	IAS 39 category	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Cash and cash equivalents	LaR	138.4	138.4	119.3	119.3
Trade receivables	LaR	231.0	231.0	226.2	226.2
Other financial assets		34.5	34.5	40.7	40.7
Thereof:					
Available for sale investments	AfS	0.0	0.0	0.0	0.0
Undesignated derivatives	FAHfT	2.9	2.9	5.0	5.0
Derivatives subject to hedge accounting	n.a.	0.1	0.1	1.3	1.3
Other financial assets	LaR	31.5	31.5	34.4	34.4
Liabilities					
Financial liabilities due to banks	FLAC	165.1	169.6	176.2	179.5
Trade payables	FLAC	200.1	200.1	235.3	235.3
Other financial liabilities		4.3	4.3	3.2	3.2
Thereof:					
Liabilities from financial leases	n.a.	0.0	0.0	0.0	0.0
Undesignated derivatives	FLHfT	4.2	4.2	3.1	3.1
Derivatives subject to hedge accounting	n.a.	0.0	0.0	0.0	0.0
Other financial liabilities	FLAC	0.1	0.1	0.1	0.1
Total for categories of financial instruments according to IAS 39:					
Loans and Receivables	LaR	400.9	400.9	379.9	379.9
Financial Assets Held for Trading	FAHfT	2.9	2.9	5.0	5.0
Financial Liabilities Measured at Amortised Cost	FLAC	365.3	369.8	411.6	414.9
Financial Liabilities Held for Trading	FLHfT	4.2	4.2	3.1	3.1

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

Cash and cash equivalents, trade receivables, other financial assets, trade payables and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of loans from banks and other financial liabilities, obligations under finance leases, as well as other non-current financial liabilities is calculated by discounting future cash flows using rates currently available for debt on similar terms, credit risk and remaining maturities.

The fair values of available-for-sale financial assets are derived from quoted market prices in active markets, if available. As of the reporting date, only equity instruments that had been measured at cost were included.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Financial transactions with parties with a lower credit rating require the approval of the Managing Board and are concluded to only a limited degree. Derivatives valued using valuation techniques with observable market data are mainly interest rate swaps and forward exchange contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs including the credit worthiness of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying base rates.

As of March 31, 2014, the marked to market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The credit risk of the counterparty did not lead to any significant effects.

FAIR VALUE HIERARCHY

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: Other methods for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: Methods that use inputs with a significant effect on the recorded fair value that are not based on observable market data

As in the prior year, all financial instruments measured at fair value in the categories FAHfT, FLHfT and derivatives designated to a hedge relationship were assigned to level 2 as of March 31, 2014. During the first three months of fiscal year 2014, there were no transfers between level 1 and level 2 or from level 3. The financial instruments measured at fair value comprised forward exchange contracts, currency swaps and interest derivatives. These were assigned to the categories FAHfT, FLHfT as well as derivatives used for hedging. The assets amounted to EUR 3 million and the liabilities to EUR 4 million. The fair value of financial instruments carried at amortized cost are also measured using the level 2 method.

INTEREST RISK HEDGES

To hedge against interest risks, the HUGO BOSS Group enters into interest hedging transactions in some cases to mitigate risk. As of the reporting date, variable interest finance liabilities of EUR 111 million were hedged; of this, an amount of EUR 100 million was designated as an effective hedging instrument. The unrealized gains from marking hedges to the market recognized in other comprehensive income dropped by EUR 0.8 million to EUR 0.1 million.

12 // OFFSETTING OF FINANCIAL INSTRUMENTS

(in EUR million)

	Gross amounts recognized assets	Gross amounts offset liabilities	Net asset amounts disclosed in statement of fin. pos.	Liabilities not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
Jan. – March 2014						
Cash and cash equivalents	138.4	0.0	138.4	0.0	0.0	138.4
Trade receivables	244.7	(13.7)	231.0	0.0	0.0	231.0
Other financial assets	34.5	0.0	34.5	(0.4)	0.0	34.1
Thereof available-for-sale	0.0	0.0	0.0	0.0	0.0	0.0
Thereof derivatives	3.0	0.0	3.0	(0.4)	0.0	2.6
Thereof other financial assets	31.5	0.0	31.5	0.0	0.0	31.5
TOTAL	**417.6**	**(13.7)**	**403.9**	**(0.4)**	**0.0**	**403.5**
Jan. – March 2013						
Cash and cash equivalents	57.3	0.0	57.3	0.0	0.0	57.3
Trade receivables	267.7	(18.0)	249.7	0.0	0.0	249.7
Other financial assets	33.7	0.0	33.7	(0.1)	0.0	33.6
Thereof available-for-sale	0.0	0.0	0.0	0.0	0.0	0.0
Thereof derivatives	5.1	0.0	5.1	(0.1)	0.0	5.0
Thereof other financial assets	28.6	0.0	28.6	0.0	0.0	28.6
TOTAL	**358.7**	**(18.0)**	**340.7**	**(0.1)**	**0.0**	**340.6**

(in EUR million)

	Gross amounts recognized liabilities	Gross amounts offset assets	Net liabilities amounts disclosed in statement of fin. pos.	Assets not offset in the statement of fin. pos.	Cash deposits received not offset in the statement of fin. pos.	Net amounts
Jan. – March 2014						
Liabilities due to banks	165.2	0.0	165.2	0.0	0.0	165.2
Trade payables	210.7	(10.6)	200.1	0.0	0.0	200.1
Other financial assets	4.2	0.0	4.2	(0.4)	0.0	3.8
Thereof derivatives	4.1	0.0	4.1	(0.4)	0.0	3.7
Thereof other financial liabilities	0.1	0.0	0.1	0.0	0.0	0.1
TOTAL	**380.1**	**(10.6)**	**369.5**	**(0.4)**	**0.0**	**369.1**
Jan. – March 2013						
Liabilities due to banks	181.0	0.0	181.0	0.0	0.0	181.0
Trade payables	206.8	(11.5)	195.3	0.0	0.0	195.3
Other financial assets	6.5	0.0	6.5	(0.1)	0.0	6.4
Thereof derivatives	6.7	0.0	6.7	(0.1)	0.0	6.6
Thereof other financial liabilities	(0.2)	0.0	(0.2)	0.0	0.0	(0.2)
TOTAL	**394.3**	**(11.5)**	**382.8**	**(0.1)**	**0.0**	**382.7**

The liabilities of EUR 14 million (March 31, 2013: EUR 18 million) offset against trade receivables as of the reporting date are outstanding credit notes to customers. The assets offset against trade payables are receivables in the form of supplier credit notes of the HUGO BOSS Group. These amounted to EUR 11 million (March 31, 2013: EUR 12 million).

Standard master agreements for financial future contracts are in place between the HUGO BOSS Group and its counterparties governing the offsetting of derivatives. These prescribe that derivative assets and derivative liabilities with the same counterparty can be combined into a single offsetting receivables.

13 // CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no significant changes in contingent liabilities in comparison to December 31, 2013. There were no contingent liabilities or contingent assets as of March 31, 2014.

14 // STATEMENT OF CASH FLOWS

The statement of cash flows of the HUGO BOSS Group shows the change in cash and cash equivalents over the reporting period using cash transactions. In accordance with IAS 7, cash flows are categorized according to whether they relate to operating, investing or financing activities in accordance with their source and utilization. The cash inflows and outflows are calculated indirectly on the basis of the Group's net income for the period. The changes in the items of the statements of financial position presented in the statement of cash flows cannot be derived directly from the statement of financial position on account of exchange rate translations.

15 // SEGMENT REPORTING

(in EUR million)

	Europe[1]	**Americas**	**Asia/Pacific**	**Royalties**	**Total operating segments**
Jan. – March 2014					
Sales	**394.7**	**118.7**	**86.3**	**12.9**	**612.6**
Segment profit	**136.6**	**25.0**	**26.5**	**10.7**	**198.8**
In % of sales	34.6	21.0	30.7	82.8	32.5
Segment assets	236.5	151.8	76.6	13.4	478.3
Capital expenditure	7.2	5.9	4.1	0.0	17.2
Impairments	0.0	0.0	0.0	0.0	0.0
Thereof property, plant and equipment	0.0	0.0	0.0	0.0	0.0
Thereof intangible assets	0.0	0.0	0.0	0.0	0.0
Depreciation/amortization	(7.2)	(4.3)	(4.3)	0.0	(15.8)
SAR expenses and hedging	0.0	0.0	0.0	0.0	0.0

[1] Including the Middle East and Africa.

(in EUR million)

	Europe[1]	Americas	Asia/Pacific	Royalties	Total operating segments
Jan. – March 2013					
Sales	**366.7**	**127.6**	**86.3**	**12.9**	**593.5**
Segment profit	**123.1**	**29.6**	**29.2**	**11.0**	**192.9**
In % of sales	33.6	23.2	33.8	85.1	32.5
Segment assets	231.1	174.2	69.5	12.4	487.2
Capital expenditure	4.5	7.6	3.1	0.0	15.2
Impairments	0.0	0.0	0.0	0.0	0.0
Thereof property, plant and equipment	0.0	0.0	0.0	0.0	0.0
Thereof intangible assets	0.0	0.0	0.0	0.0	0.0
Depreciation/amortization	(6.6)	(3.9)	(4.1)	0.0	(14.6)
SAR expenses and hedging	0.0	0.0	0.0	0.0	0.0

[1] Including the Middle East and Africa.

RECONCILIATION STATEMENTS

SALES

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Sales - operating segments	**612.6**	**593.5**
Corporate units	0.0	0.0
Consolidation	0.0	0.0
TOTAL	**612.6**	**593.5**

OPERATING INCOME

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Segment profit – operating segments	**198.8**	**192.9**
Depreciation/amortization – operating segments	(15.8)	(14.6)
Impairments – operating segments	0.0	0.0
Special items – operating segments	(1.3)	0.0
Operating income (EBIT) – operating segments	**181.7**	**178.3**
Corporate units	(73.2)	(66.9)
Consolidation	0.2	0.0
Operating income (EBIT) HUGO BOSS Group	**108.7**	**111.4**
Net interest income/expenses	**(0.6)**	**(3.9)**
Other financial items	**(2.1)**	**(1.1)**
Earnings before taxes HUGO BOSS Group	**106.0**	**106.4**

CAPITAL EXPENDITURE

(in EUR million)

	March 31, 2014	March 31, 2013	Dec. 31, 2013
Capital expenditure - operating segments	**17.2**	**15.2**	**125.7**
Corporate units	3.4	16.2	59.6
Consolidation	0.0	0.0	0.0
TOTAL	**20.6**	**31.4**	**185.3**

DEPRECIATION/AMORTIZATION

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Depreciation/amortization - operating segments	**15.8**	**14.6**
Corporate units	8.3	6.7
Consolidation	0.0	0.0
TOTAL	**24.1**	**21.3**

IMPAIRMENTS

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
Impairment – operating segments	**0.0**	**0.0**
Corporate units	0.0	0.0
Consolidation	0.0	0.0
TOTAL	**0.0**	**0.0**

SAR - EXPENSES AND HEDGING

(in EUR million)

	Jan. – March 2014	Jan. – March 2013
SAR-expenses and hedging – operating segments	**0.0**	**0.0**
Corporate units	0.0	(0.3)
Consolidation	0.0	0.0
TOTAL	**0.0**	**(0.3)**

SEGMENT ASSETS

(in EUR million)

	March 31, 2014	March 31, 2013	Dec. 31, 2013
Segment assets – operating segments	**478.3**	**487.2**	**449.9**
Corporate units	183.1	153.4	217.1
Consolidation	0.0	0.0	0.0
Current tax receivables	11.9	15.4	10.8
Current financial assets	18.5	17.9	23.3
Other current assets	88.1	79.4	69.4
Cash and cash equivalents	138.4	57.3	119.3
Current assets HUGO BOSS Group	**918.3**	**810.6**	**889.8**
Non-current assets	607.0	602.0	611.5
Total assets HUGO BOSS Group	**1,525.3**	**1,412.6**	**1,501.3**

GEOGRAPHIC INFORMATION

(in EUR million)

	Third party sales		**Non-current assets**	
	Jan. – March 2014	**Jan. – March 2013**	**March 31, 2014**	**Dec. 31, 2013**
Germany	106.0	94.1	173.7	177.8
Other European markets	288.2	272.3	172.4	172.9
U.S.A.	91.4	97.4	54.5	54.2
Other North, Central and South American markets	27.6	30.2	15.9	14.5
China	53.2	53.8	37.1	38.8
Other Asian markets	33.3	32.8	41.4	40.2
Royalties	12.9	12.9	15.1	15.1
TOTAL	**612.6**	**593.5**	**510.1**	**513.5**

16 // SUBSEQUENT EVENTS

Between the end of the first three months of fiscal year 2014 and the publication of this report, there were no significant macroeconomic, socio-political, sector-related or company-specific changes which management expects to have a material impact on the Company's results of operations, net assets and financial position.

Metzingen, April 23, 2014

HUGO BOSS AG
The Managing Board

Claus-Dietrich Lahrs
Christoph Auhagen
Mark Langer

FURTHER INFORMATION

4

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements that reflect management's current views with respect to future events. The words "anticipate", "assume", "believe", "estimate", "expect", "intend", "may", "plan", "project", "should", and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties. If any of these or other risks 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 2014

MAY 13, 2014
Annual Shareholders' Meeting

JULY 31, 2014
Publication of the First Half Year Report 2014

NOVEMBER 4, 2014
Publication of the Nine Months Report 2014

CONTACTS

INVESTOR RELATIONS
Phone +49 (0) 7123 94 - 80903
E-Mail 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

REQUEST FOR ANNUAL REPORTS
www.group.hugoboss.com/Order Service