# The HUGO BOSS Group

### The Group

The HUGO BOSS Group has maintained its position as global market leader in the high fashion market for many years. This success is based on a number of factors.

We employ a staff of dedicated experts at all of our administration, production and sales locations. Our employees act with a sense of responsibility in representing Company interests both internally and externally, guaranteeing efficient and professional business processes worldwide.

Our reliable international product distribution has been built on a global sales network that interacts smoothly with the Company's sophisticated logistics and standardized product presentation. Stringent marketing measures have led to worldwide recognition and a strong image for our brands and the Company.

Our long experience in the international fashion market is reflected in our high level of product competence. The fashion statements made by our collections succeed in capturing new trends each season. High-quality products with a value for money ratio have contributed to our status as a credible manufacturer and trustworthy partner. Fashion created for a variety of target groups, to meet the most exacting demands and for any occasion, gives customers all over the world confidence in their appearance.

#### **Brand profiles**

HUGO BOSS is represented in the fashion market by three independent brands: BOSS, HUGO and BALDESSARINI.

These three brands and their extensive collections allow us to address a variety of target groups, catering to the demands of each with respect to fashion statement, tailoring, work-manship, materials and pricing so that our customers, both male and female, are able to find the perfect outfit for every occasion.

#### Brand overview



# BOSS

Our core brand, BOSS, encompasses the women's collection of BOSS Woman and the labels of BOSS Black, BOSS Selection, BOSS Orange and BOSS Green for men.

### **BOSS Woman**

The BOSS Woman customer is cosmopolitan, expresses her individual style with confidence and uses fashion to emphasize her multi-faceted personality. This attitude is reflected in the BOSS Woman collection: modern, well-made with a comfortable fit, high quality of materials and workmanship, feminine cuts and matter-of-fact elegance, refined yet natural details, as well as individual outfits that can be easily combined for any occasion.

#### **BOSS Black**

Fashion should mirror and emphasize the wearer's personality, not constrict or conflict with it. BOSS Black meets these requirements by providing the appropriate outfit for any occasion, with perfect fit, sophisticated tailoring and superior quality. Whether the look is traditional business or casual leisure, the BOSS Black men's collection gives the wearer the confidence that goes along with being well-dressed at all times. This collection is complemented by a broad range of trendy fashion accessories.

#### **BOSS Selection**

Pure comfort created by a love of detail awaits the most demanding connoisseur. BOSS Selection combines the traditional strengths of BOSS in tailoring and fit with the finest fabrics and excellent quality. Superior workmanship, which also entails some handwork, creates clothing targeted specifically for the top end of the market. BOSS Selection exemplifies the pinnacle of quality.

#### **BOSS** Orange

Unusual fabrics, strong colors and elaborate details are characteristics of the BOSS Orange collection. The BOSS Orange customer is a sporty type who appreciates the BOSS standard of high quality materials and workmanship for non-business wear and who wants to make a fashion statement.

#### **BOSS Green**

The BOSS Green collection offers the athletic, fashion-conscious customer fully coordinated outfits for the perfect look both during sports activities and afterwards. New fabrics that are breathable, heat insulating and water resistant meet the high functional demands of a variety of outdoor sports and the latest leisure activities. During the design phase, athletes sponsored by HUGO BOSS test many of the items in the BOSS Green collection, including wearing the clothes in competitions.

#### HUGO

The trendy HUGO label combines young classic styles with chic sportswear, creating looks that are both casual and stylish. Form-fitting cut, high-quality materials and exceptional details that add fashionable accents make HUGO the label for individualists seeking to express their own personal style. HUGO customers are self-confident men and women who are not afraid to cross boundaries, who are open to new experiences and for whom fashion is a question of attitude, not age.

### BALDESSARINI

In 2004 the BALDESSARINI GmbH & Co. KG was established as a business unit that focusses exclusively on the BALDESSARINI brand. Since 2004, the BALDESSARINI logo does not include the name HUGO BOSS. In Munich, BALDESSARINI benefits from greater proximity to customers and the media, a key advantage for communicating and positioning BALDESSARINI as an independent luxury brand in the relevant market environments.

BALDESSARINI represents the highest level of fashion luxury. The use of premium materials combined with meticulous, mainly hand workmanship characterizes the uniqueness of the BALDESSARINI collection. Quality takes top priority, and the BALDESSARINI signature is unmistakable. In addition to clothing, the collection also includes shoes, fragrances, and highlights from other accessory areas.

#### Product portfolio

The various labels of HUGO BOSS with their individual styles offer demanding customers of either gender classic ready-to-wear ensembles, leisure fashions, functional sportswear and complementary accessories. HUGO BOSS has rounded out the collections by integrating shoes and leather products into the Group's own business. Licensed products such as fragrances and cosmetics as well as watches and eyewear complement our outfits. In addition, we offer a comprehensive array of merchandising items, including jewelry and lifestyle accessories.

# Creation and production

The creative process of designing new collections takes place at our Metzingen headquarters. Special fabrics and materials as well as new manufacturing technologies are developed exclusively for HUGO BOSS, attesting to the importance the Group places on innovation. For instance, a completely new manufacturing approach was implemented for the BOSS Selection line, in part using machinery under patent protection.

After researching international trends, our creative teams produce up-to-date fashion designs according to a four-season cycle. Patternmakers then transform these ideas into prototypes with the help of modern software. Sample collections are displayed in the show-rooms and manufactured in series after our trading partners have signed their orders.

Production Planning in Metzingen prepares the process in detail and assists in implementation. Finally, on their journey from the various HUGO BOSS production facilities to the retail market, the collection items undergo a wide range of quality tests performed by staff experts.

## Distribution

HUGO BOSS products are available throughout the world in 102 countries and more than 5,000 retail shops. These include flagship stores, freestanding stores, shop-in-shops and traveler shops run by franchisees or directly by HUGO BOSS. Business-to-business activities using integrated IT systems enable an efficient exchange of data with our customers as well as smooth, flexible and prompt coordination of seasonal deliveries.

Modern warehousing and materials handling technology in the distribution centers contributes to efficient product flow management along the entire process chain. This ensures optimum processing, from the procurement of raw materials up to delivery of the finished product to the customer.

Sales teams in Metzingen and in 15 subsidiaries are available to assist our trading partners. Our globally uniform shops are designed to match our corporate identity. We ensure this by using our own in-house teams of architects and merchandisers that also assist our trading partners by offering professional advice ranging from shop planning and implementation to the design of store windows and product displays or the organization of special retailer events.

We place great value on in-house training and continuing education of sales personnel and offer trainings covering both in-depth information on production and quality characteristics as well as collection statement briefings and information concerning the HUGO BOSS corporate identity and our customer service.

### Communication

Corporate and brand communication at HUGO BOSS is coordinated at our headquarters in Metzingen and supported by in-house PR offices at the subsidiaries and international agencies.

Interviews, reports and publications providing information on HUGO BOSS appeared in business and financial journals as a result of our worldwide press efforts. In addition, events such as press conferences and the Annual Shareholders' Meeting are significant publicity tools. Another key task of Corporate Communications is to develop and maintain a corporate identity in order to assure a uniform image for all of the Group's activities.

Our brand communication is reflected in different areas. Seasonally-changing advertising campaigns enhance brand recognition and image. The corresponding media planning and analysis, as well as the choice of media, is coordinated in Metzingen for more than 100 countries. Our products are presented in editorials and photo series in leading fashion and lifestyle magazines. Placing products in major film productions, outfitting celebrities with HUGO BOSS collection items, and holding international fashion events serve to emotionally charge the brand.

The extensive internet presence of HUGO BOSS is another key communication instrument. Our website, designed with the latest technology, offers detailed, up-to-date information on HUGO BOSS, its brands and individual products in a surrounding that is characterized by a high level of user friendliness and interactivity.

Sponsorship is an essential part of communication at HUGO BOSS. Cultural sponsorship links the aesthetic values of art with the HUGO BOSS label in a striking manner, while sports sponsorship allows us to associate the BOSS brand with qualities such as internationalism, success and dynamism.