After a positive start to the year 2013, political and economic uncertainties in the United States, Europe and China led to share price corrections on the German stock markets towards the end of the first half of the year. In the course of the year, however, the brightening of economic indicators worldwide and central banks’ ongoing expansionary monetary policy provided a stimulus, leading to significant gains of DAX and MDAX by the end of the year. Over the twelve months period, the HUGO BOSS share also saw large gains and reached an all-time high at year end.

The ongoing expansionary monetary policy of the U.S., European and Japanese central banks and the positive economic newsflow from the United States brought about clear gains on the German share markets at the beginning of the year. Over the first half of the year, recurring uncertainties regarding the euro debt crisis, speculation about a potential reduction in the volume of bond purchases by the U.S. Federal Reserve and disappointing economic data from China led time and time again to price corrections, significant in some cases. As of the end of June, the German share markets were supported by brightening early indicators worldwide and the assurance by European and U.S. central banks that they intended to continue their expansionary monetary policy. In the meantime, the markets only came under pressure from the U.S. budget dispute arising again as well as political crises and economic setbacks in some Eurozone countries. Most of all the agreement between Republicans and Democrats on the passing of a new U.S. budget provided great stimulus on the markets, which meant that the DAX and MDAX reached new all-time highs of 9,589 and 16,626 points just before the end of the year.
The HUGO BOSS share initially started the year with significant gains, but lost some ground following the presentation of the Group’s full year 2012 figures in March, however. In the days prior to the publication of first quarter results and in reaction to the confirmation of the outlook for 2013, the share price significantly rallied up to the beginning of May. After this intermediate price correction, the share saw significant gains, picking up speed most of all following the publication of first half year results at the end of July, when the Company’s targets for 2013 were reconfirmed. The HUGO BOSS share was additionally lifted by the generally positive mood on the stock markets and the indications of economic recovery in Europe, the largest sales market for the Group. Following shorter phases characterized by price corrections in September and October, the share saw gains over the rest of the year. Details of various strategic initiatives presented at the Investor Day in Hong Kong at the end of November and the reinforcement of the sales target for 2015 provided a boost to the share’s development towards the end of the year in an overall positive overall market. All in all, the HUGO BOSS share ended the year at a new all-time high of EUR 103.50, up 30% on the closing price at the end of 2012.

DAX and MDAX also saw strong gains over the past year, up 25% and 39% respectively over the year. On average, the shares of companies in the fashion and luxury goods industry also saw price gains in the past year. For example, the MSCI World Textiles, Apparel & Luxury Goods Index, which reflects the share price performance of companies operating in the apparel and luxury goods segment, rose 25% in 2013.

This means the HUGO BOSS share developed better than the DAX, Germany’s leading share index. Furthermore, it exceeded the average share price development of companies operating in the fashion and luxury goods industry. It rose less strongly in comparison to the MDAX, the performance of which benefited from the comparatively high weighting of very cyclical shares.

### 01|04 HUGO BOSS SHARE IN COMPARISON

<table>
<thead>
<tr>
<th></th>
<th>1 year</th>
<th>3 years</th>
<th>5 years</th>
<th>10 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>HUGO BOSS share</td>
<td>30</td>
<td>110</td>
<td>498</td>
<td>551</td>
</tr>
<tr>
<td>DAX</td>
<td>25</td>
<td>38</td>
<td>99</td>
<td>141</td>
</tr>
<tr>
<td>MDAX</td>
<td>39</td>
<td>64</td>
<td>196</td>
<td>271</td>
</tr>
<tr>
<td>MSCI World Textiles, Apparel &amp; Luxury Goods</td>
<td>25</td>
<td>50</td>
<td>230</td>
<td>259</td>
</tr>
</tbody>
</table>

In accordance with Sec. 21 WpHG [“Wertpapierhandelsgesetz”: German Securities Trading Act], shareholders are obligated to report their share of voting rights if they exceed or fall short of particular reporting thresholds. The reporting thresholds are set at 3%, 5%, 10%, 15%, 20%, 25%, 30%, 50% and 75%.

Several notifications of shareholdings received
On January 24, 2013, HUGO BOSS AG was informed pursuant to Sec. 25 a WpHG by Mediobanca – Banca di Credito Finanziario S.p.A., Milan, Italy that since January 21, 2013 it no longer holds any financial or other instruments that would enable it to acquire voting rights.

On November 29, 2013, The Capital Group Companies, Inc., Los Angeles, U.S.A. notified the Company pursuant to Sec. 21 (1) WpHG in conjunction with Sec. 22 (1) Sentence 1 No. 6 WpHG and Sec. 22 (1) Sentences 2 and 3 WpHG that they exceeded the reporting threshold of 3% of the voting rights in HUGO BOSS AG on November 26, 2013.

On November 29, 2013, Capital Research and Management Company, Los Angeles, U.S.A. notified the Company pursuant to Sec. 21 (1) WpHG in conjunction with Sec. 22 (1) Sentence 1 No. 6 WpHG that it exceeded the reporting threshold of 3% of the voting rights in HUGO BOSS AG on November 26, 2013.

The Company published the original wordings of these notifications under News and Releases in the Investor Relations section of its corporate website at group.hugoboss.com.

According to Sec. 15 a WpHG, members of the Managing Board and the Supervisory Board and persons who carry out managerial functions as defined by the WpHG are obliged to disclose any transactions to purchase or sell HUGO BOSS AG securities.

Over the reporting period from January 1 to December 31, 2013, the Managing Board and Supervisory Board reported to the Company pursuant to Sec. 15 a WpHG one reportable securities transaction with shares in the Company. 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 under News and Releases in the Investor Relations section of the corporate website at group.hugoboss.com.

The Annual Shareholders’ Meeting on June 21, 2010 authorized the Managing Board of HUGO BOSS AG to continue the share buyback program already in place at that time. Accordingly, the Managing Board is authorized until June 20, 2015 to buy shares in the Company up to an interest of no more than 10% of the share capital outstanding. No use of the authorization was made in the past fiscal year.

This means that the number of own shares held by HUGO BOSS AG remains unchanged at 1,383,833. This corresponds to a share of 1.97% or EUR 1,383,833 of the share capital.

Free float increases

On May 3, 2013, the majority shareholder Red & Black Holding GmbH, an entity in which Permira Funds holds a majority shareholding, placed seven million HUGO BOSS shares on the market. Effective as of July 1, 2013, Red & Black Holding GmbH was merged into Red & Black Lux S.à r.l. which meant that the shareholder structure of HUGO BOSS AG as of December 31, 2013 was as follows: 55.62% of the shares are held by Red & Black Lux S.à r.l. (December 31, 2012: 65.56%), at that time trading as Red & Black Holding GmbH, 1.97% of the capital was held by HUGO BOSS AG as own shares (December 31, 2012: 1.97%). The remaining 42.41% of the shares are in free float (December 31, 2012: 32.47%).
The ownership structure of the shares in free float was analyzed in 2013 with a view to addressing the institutional investors investing in HUGO BOSS in a more targeted manner. The result shows that HUGO BOSS’ investor base has become even more international. Indeed, the portion of shares held by German investors has decreased to 13% (2012: 20%). In contrast, the portion held by U.S. investors rose to 19% (2012: 13%). While the portion of shares held by institutional investors in Great Britain decreased to 19% (2012: 22%), the weighting of other European countries in the shareholder structure rose to 20% (2012: 16%). Private shareholders enlisted in the share register and institutional investors on which the Company does not have any further details make up 26% of the free float (2012: 28%).

At the end of December 2013, the HUGO BOSS share which is listed in the MDAX took 14th place in Deutsche Börse’s ranking calculated on the basis of market capitalization adjusted for free float (December 31, 2012: 15th place). Measured by trading volume, the HUGO BOSS share took 7th place (December 31, 2012: 8th place). This means that the weighting of the HUGO BOSS share in the MDAX at the end of December came to 2.6% (December 31, 2012: 2.1%). On average, 139,786 HUGO BOSS shares were traded on the Xetra trading platform daily in 2013. In 2012, the average number of ordinary and preferred shares traded daily came to 152,261 shares. The two share classes were merged on June 18, 2012 and now only ordinary shares are traded.
No corporate bonds issued
Neither HUGO BOSS AG nor any of its subsidiaries issued corporate bonds in 2013 and no bonds were outstanding as of year-end 2013. The Group is also not rated by any external rating agency.

Dividend per share on the rise
HUGO BOSS pursues a profit-based distribution policy that allows the shareholders to participate appropriately in the Group’s earnings development. The policy is to distribute to shareholders between 60% and 80% of consolidated net income on a regular basis. On account of the rise in profits in the past fiscal year, the Company’s strong financial position and positive expectations for 2014, the Managing Board and Supervisory Board intend to propose to the Annual Shareholders’ Meeting to be held on May 13, 2014 a dividend of EUR 3.34 per share for fiscal year 2013 (2012: EUR 3.12). The proposal is equivalent to a payout ratio of 70% of the consolidated net income attributable to the shareholders of the parent company in 2013 (2012: 70%). Assuming that the shareholders approve the proposal, the dividend will be paid out on the day after the Annual Shareholders’ Meeting, May 14, 2014. On the basis of the number of shares outstanding at year-end, the amount distributed will come to EUR 231 million (2012: EUR 216 million).

Transparent and open communication as a goal of Investor Relations work
For HUGO BOSS, good capital market and corporate communication means communicating current developments within the Company promptly and in a transparent manner, which strengthens the confidence placed in the Company by capital market participants and the general public. Once again in 2013, the Managing Board and the Investor Relations department took part in an ongoing individual dialog with national and international institutional and private shareholders. One valuable instrument used in keeping institutional investors, private shareholders and the interested public informed about the development of the Company is the Internet. HUGO BOSS AG’s Investor Relations website not only contains general information and key figures on the Company but also current financial reporting, company presentations, press releases as well as the financial calendar and the contact details of the Investor Relations department.

// group.hugoboss.com/Investor Relations