HUGO BOSS Nordic ApS

CVR-nr. 26 59 64 67

Støberigade 12
2450 København SV

Annual Report

1 January 2016 - 31 December 2016

The annual Report has been presented and approved on the company's general meeting the 24. of April 2017

Chairman of the general meeting
Stephan Ulrich Born

Contents

Company information

Reporting Company	HUGO BOSS Nordic ApS Støberigade 12 DK-2450 København SV
Telephone	+45 33 18 80 00
Registration no.	26 59 64 67
Reporting period:	01/01/2016 - 31/12/2016
Auditor	ERNST & YOUNG Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4 2000 Frederiksberg DK Denmark Registration no: 30700228 P-number: 1013415044
Bank	Skandinaviska Enskilda Banken, Danmark/ Nordic Branch of Skandinaviska Enskilda Banken AB, Sverige Landemærket 10 DK-1119 København DK Denmark

Statement by Management

Today, management has considered and approved the annual report of HUGO BOSS Nordic ApS for the financial year 1 January 2016 – 31 December 2016

The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position as at 31 December 2016 and of the results of its operations for the financial year 1 January 2016 – 31 December 2016.

In our opinion, the management's review gives a fair review of the development and performance of the Company, the results for the year and financial position together with a description of the principal risks and uncertainties the company face.

The annual report is submitted for adoption by the annual general meeting

Copenhagen 24 of April, 2017

Executive Board

Stephan Ulrich Born

Board of Directors

Mark Alexander Langer
Chairman

Stephan Ulrich Born

Bernd Hartmut Hake

Independent auditor's reports

To the shareholders of HUGO BOSS Nordic ApS

Opinion

We have audited the financial statements of HUGO BOSS Nordic ApS for the financial year 1 January – 31 December 2016, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2016 and of the results of the Company's operations for the financial year 1 January – 31 December 2016 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

► •Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

► •Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

Independent auditor's report

► Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

► •Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

► •Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view. •

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 24. April 2017
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jan C. Olsen
State Authorised
Public Accountant

Management's Review

Key figures and ratios

m.DKK

Key figures	**2016**	**2015**	**2014**	**2013**	**2012**
Net turnover	346,3	312,3	315,5	323,2	443,8
Gross profit	81,5	78,5	73,2	72,3	95,8
Operating Income	25,4	23,3	15,7	18,4	34,1
Net financial expenses	-1,3	-0,9	-0,9	-1,3	-0,2
Profit for the year	18,7	17,1	11,2	12,5	25,4
Balance sheet	120,4	108,3	97,8	100,4	130,5
Investments in tangible assets	10,7	7,2	9,4	7,4	1,2
Equity	50,4	46,6	40,5	41,3	38,8
Key ratios					
Profit ratio	7,3%	7,5%	5,0%	5,7%	7,7%
Contribution margin	23,5%	25,1%	23,2%	22,4%	21,6%
Equity ration (solidity)	41,8%	43,0%	41,4%	43,3%	41,4%
Return on equity	38,6%	39,3%	27,4%	31,3%	65,8%
Average full-time employees	106	106	104	94	87

Main activity
The company's main activities has like previous years consisted of marketing and sale of the Group's product though the channels wholesale and retail.

The wholesales consider beside Denmark, Iceland, Faroe Island and Greenland. Whereas retail sales only are at the Danish market.

Development in activities and finances
The profit of the year is positive and has increased with 9% compared with last years result. The improved profit is due to higher revenue and a stable cost base.

The improved profit is primarily due to a higher revenue in 2016, increased by app. 11% against prior year. The wholesale channels has contributed to the increased net sales with a 16% growth.
Retail also contributed to a higher revenue with an increase on 5%, this is primarily due to Retail expansion, unfortunately the existing stores did not performed as expected.

There has during the year not occurred any inessentials circumstances.

Expectations to the future
HUGO BOSS Nordic expect to increase net sales and retain a positive result in 2017.

The expectations to the positive result in 2017 is expected to primarily come from organic growth in both WHS and Retail. Retail had a few expansion in 2016, which have a full year impact in 2017. Like for like growth in Retail expect to be between 3%-5% depending on the store. WHS net sales expect to be at the same level as for 2016 and no material increase due to an extremely good Q4-2016, which we don't expect will be at the same level in 2017. On the other hand do we expect a decrease in Intercompany sales. Overall we expect that the total net sales and profit for 2017 will be at the same level as for 2016

Management's Review, continued

Risk report
Currency risk
Currency risks are extremely low, because all sales (wholesale and retail) are in DKK. Further the parent company bears the currency risk, and invoices merchandise to HUGO BOSS Nordic ApS in DKK.

Credit risk
The interest-bearing net debt does not pose a significant amount. Changes in interest rates have therefor no significant direct effect on the result.

Other circumstances
External environment
HUGO BOSS is not affected by any external environments and measures to prevent, reduce or remedy.

Research and development
There has been no research and development during the year.

Income statement 1 jan 2016 - 31 dec 2016

	Note	2016 (DKK)	2015 (DKK)
Revenue	2	346.302.697	312.256.097
Cost of sales		-204.830.743	-176.777.494
Other operating income		271.826	251.518
Other external expenses		-60.244.109	-57.263.452
Gross profit		**81.499.671**	**78.466.669**
Employee expenses	3	-46.838.455	-48.032.124
Depreciation, amortisation expense and impairment losses of property, plant and equipment and intangible assets		-9.258.980	-7.158.660
Profit from ordinary operating activities		**25.402.236**	**23.275.885**
Other finance income	4	229.464	219.149
Other finance expense	5	-1.567.575	-1.077.035
Profit from ordinary activities before tax		**24.064.125**	**22.417.999**
Tax expense	6	-5.332.757	-5.301.025
Profit		**18.731.368**	**17.116.974**

Balance sheet 31 December 2016

	Note	31.12.2016 (DKK)	31.12.2015 (DKK)
ASSETS			
Acquired other similar rights	7	0	0
Intangible assets		**0**	**0**
Fixtures, fittings , tools and equipment	8	7.930.447	7.598.484
Leasehold improvements	8	15.543.164	14.467.011
Tangible assets		**23.473.611**	**22.065.495**
Deferred tax asset	11	2.204.330	1.802.765
Deposits	9	8.627.468	8.464.423
Other non-current assets		**10.831.798**	**10.267.188**
Total non-current assets		**34.305.409**	**32.332.683**
Inventories		35.317.889	26.558.694
Trade receivables		36.848.563	30.100.107
Receivables from Group enterprises		1.479.680	4.120.106
Deferred income asset	10	1.656.513	3.452.148
Other receivables		1.154.913	1.323.964
Receivables		**76.457.558**	**65.555.019**
Cash and cash equivalents		**9.619.672**	**10.375.385**
Total current assets		**86.077.230**	**75.930.404**
Total assets		**120.382.639**	**108.263.087**

Balance sheet 31 December 2016

EQUITY and LIABILITIES

	Note	31.12.2016 (DKK)	31.12.2015 (DKK)
Share capital		250.000	250.000
Retained earnings		35.104.269	31.372.901
Proposed dividend		15.000.000	15.000.000
Total equity		**50.354.269**	**46.622.901**
Other provisions	12	2.873.214	1.666.890
Non current liabilities		**2.873.214**	**1.666.890**
Trade payables		12.881.156	12.259.693
Payables to group enterprises		31.484.711	26.159.699
Tax payables		2.042.906	336.532
Other payables		17.774.834	17.669.591
Deferred income	13	2.971.549	3.547.781
Current liabilities		**67.155.156**	**59.973.296**
Total liabilities		**70.028.370**	**61.640.186**
Total equity and liabilities		**120.382.639**	**108.263.087**

Statement of changes in equity 1 jan 2016 - 31 dec 2016

	Share-capital	Retained earnings	Proposed dividend	Total
Equity as of 1 January 2016	**250.000**	**31.372.901**	**15.000.000**	**46.622.901**
Dividend paid	0	0	-15.000.000	-15.000.000
Profit	0	3.731.368	15.000.000	18.731.368
Equity as of 31 December 2016	**250.000**	**35.104.269**	**15.000.000**	**50.354.269**

The share capital consists of 500 shares of DKK 500 each.

The share capital of TDKK 250 has been unchanged the last 5 years.

Notes

1 Accounting policies

Accounting policy
The annual report has been prepared in accordance with the regulation applying to Reporting class C, medium-size enterprise.

The company has from 1 January 2016 implemented law no. 738 of 1 June 2015. The adoption has no effect financial effect HUGO BOSS Nordic ApS's result, assets and liabilities or equity in connection with the preparation of the financial statements for the financial years presented.

Besides changes in disclosures as a consequence of law 738 of June 2015, the accounting policies have been applied consistently with previous years.

Recognition and measurement in general
Revenues are recognised in the income statement when earned, whereas costs are recognised by the amounts attributable to this financial year. Value adjustments of financial assets and liabilities are recognised in the income statement as financial income of financial expenses.

Assets are recognised in the balance sheet when it is probable future income benefits will flow to the company and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when an outflow of economic benefits is probable and the value of the liability can be measured reliably.

On initial recognition assets and liabilities are measured at cost. Subsequently, assets and liabilities are measured as descibed below for each individual item.

Upon recognition and measurement, predictable losses and risks which occur before the presentation of the annual report and which confirm or disprove matters existing on the balance sheet date are taken into consideration.

Transactions in foreign currencies
Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchage rates at the transaction date and at the payment date are recognised in the income statement as financial income or expenses.

Fixed assets purchased in foreign currency are translated at the exchange rate at the transaction date.

Receivable, payable and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated using the exchange rate at the balance sheet date. Exchange differences that arise between the rate at the transaction date and the one in effect at the balance sheet date are recognised in the income statement as financial income or expenses.

Income statement

Revenue
Income from the sale of finished goods and commission is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Notes

1 Accounting policies (continued)

Cost of sales
Cost of sales includes merchandise which is consumed to achieved the net sales for the year.

Other income and expenses
Other income and expenses includes income and expenses besides the main activity of the company like profit or loss from sale of fixed asset.

Other external expenses
Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Employee expenses
Employee expenses include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. Made to the entity's employees. The item is net of refunds made by public authorities.

Financial income and expenses
Financial income and expenses and similar items include interest income and expenses, realised and unrealised exchange gains and losses on payables and transactions in foreign currency, as well as surchages and allowances under the tax on account scheme etc.

Tax expense
Tax for the year, which consists of current taxes for the year and changes in deferred tax, is recognised in the income statement by the portion attributable to the profit for the year and by the portion attributable directly to equity with the portion attributable directly to equity.

Balance sheet

Intangible assets
Intangible assets, such as Key Money are measured at cost less accumulated depreciation and impairment.
Cost comprises the acquisition price

The assets are depreciated by the straight-line method over the expected economic life based on the following assessment of the assets expected useful liftetime:

Key Money: 10 years

Depreciation period is based on the lentgh of the lease agreement.

Notes

1 Accounting policies (continued)

Tangible assets
Fixtures and fittings, tools and equipment and leasehold improvements are measured at cost less accumulated depreciation and impairment. Basis for depreciation is cost less expected value after the end useful lifetime.

Cost comprises the acquisition price, cost directly attributable to the acquisition, and preparation costs of the asset until the time when it is ready to be put into operation.

The cost of a total asset is divided into separate elements which are depreciated individually when the useful lives of the individual elements differ.

The assets are depreciated by the straight-line method over the expected economic life based on the following assessment of the assets expected useful liftetime:

Fixtures and fittings, EDB-equipment, tools and equipment:	3-5 years
Leasehold improvements:	5-10 years

The basis of depreciation is calculated in consideration of the residual value of the asset and is reduced by impairment, if any. The residual value is fixed at the date of acquisition and is subject to annual review. When the residual value exceeds the carrying amount of the asset, depreciation will no longer take place.

In connection with changes in the depreciation period or the residual value, the effect of depreciation is recognised in future as a change in the accounting estimate.

Leases
Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognized in the income statement over the term of the lease.

Impairment of non-current assets
Intangible assets and fixtures, fittings and equipment are reviewed for impairment on an annual basis. Where there is indication of impairment, each individual asset or group of assets generating independent cash flows is tested for impairment. The carrying amount of impaired assets is reduced to the higher of the value in use and the net selling price (recoverable amount). Where an impairment loss is recognised on a group of assets, a loss is first allocated to goodwill and then to the other assets on a pro rata basis.

Deposits
Deposits are measured as the lower of cost or net realisable value.

Inventories
Inventories are measured at the lower of cost calculated according to the FIFO principle and net realisable value. The net realisable value is calculated as the selling price less costs of completion and costs necessary to make the sale.

The cost of goods for resale comprises the acquisition price plus delivery costs.

Receivables
Receivables are recognised at the lower amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are determined on the basis of an individual assessment of each receivable.

Notes

1 Accounting policies (continued)

Deferred income asset
Deferred income asset comprise incurred costs relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to the nominal value.

Equity
Dividends proposed for the financial year are presented as a separate item under 'Equity'.

Corporate tax
Current tax liabilities and receivables are recognised in the balance sheet, as estimated tax charge in respect of the taxable income for the year, adjusted for tax on prior years' taxable income and prepaid tax.

Provisions for deferred tax are calculated, based on the liability method, of all temporary differences between carrying amounts and tax values, with the exception of temporary differences occurring at the time of acquisition of assets and liabilities neither affecting the results of operations nor the taxable income, as well as temporary differences on non-amortizable goodwill.

Deferred tax is measured according to the taxation rules and taxation rates in the respective countries applicable at the balance sheet date when the deferred tax is expected to crystalize as current tax. Deferred tax assets are recognized at the value at which they are expected to be utilized, either through elimination against tax on future earnings or through a set-off against deferred tax liabilities within the same jurisdiction.

Changes in deferred tax caused by changes in regulations or rates are to recognised in the income statement.

Cash equivalents
Cash equivalents comprises cash balances and bank balances.

Other provisions
Provisions comprise anticipated costs related to return of goods and claims etc. Provisions are recognised when, as a result of past events, the Company has a legal or a constructive obligation and it is probable that there may be an outflow of ressources embodying economic benefits to settle the obligation. Provisions are measured at net realisable value. If the obligation is expected to be settled far into the future, the obligation is measured at fair value.

Liabilities other than provisions
Liabilities are measured at net realisable value and is related to provision for holiday allowance, employee earnings, VAT eg.

Notes

1 Accounting policies (continued)

Cash flow statement
The Company has decided not to include a cash flow statement, as it is included in a cash flow statement for HUGO BOSS AG Group in accordance with the Danish Financial Statement Act. §86, 4.

1 Accounting policies (continued)

Key figures
The key ratios have been calculated in accordance with the Danish Society of Financial Analysts 'Recommendations and Financial Ratios 2015'
The key ratios are calculated as below:

Profit ratio: $\dfrac{\text{Operating income x 100}}{\text{Net turnover}}$

Contribution margin: $\dfrac{\text{Gross profit x 100}}{\text{Net turnover}}$

Equity ratio (solidity): $\dfrac{\text{Equity, end x 100}}{\text{Total liabilities}}$

Return on equity: $\dfrac{\text{Profit for the year x 100}}{\text{Average equity}}$

Notes

	2016 (DKK)	2015 (DKK)
2 Net turnover		
Net sales	334.228.205	297.848.607
Commission income	12.074.492	14.407.490
Total	**346.302.697**	**312.256.097**
3 Employee expenses		
Salary and wages	40.918.603	41.673.917
Pensions	1.772.281	1.909.828
Other social security costs	678.420	733.102
Other employee expenses	3.469.151	3.715.277
Total	**46.838.455**	**48.032.124**
Average number of full-time employees	106	106

The management consists of only one member, so information regarding salary is not provided according to Årl. §98 b.
The members of the board has not received any wages.

	2016 (DKK)	2015 (DKK)
4 Financial income		
Interest income, group companies	0	8
Interest income, other	81.280	88.636
Foreign exchange gains, group companies	89.442	39.885
Foreign exchange gains, other	58.742	90.620
Total	**229.464**	**219.149**
5 Financial expenses		
Interest expenses, group companies	1.160.566	928.173
Interest expenses, other	47.615	38.453
Foreign exchange loss, group companies	69.918	34.712
Foreign exchange loss, other	289.476	75.697
Total	**1.567.575**	**1.077.035**
6 Tax on profit for the year		
Corporate income tax	5.436.906	4.891.948
Adjustment previous years	297.416	17.424
Changes in deferred tax	-401.565	428.057
Adjustment, change in tax rates	0	-36.404
Total	**5.332.757**	**5.301.025**

Notes

7 Intangible assets

	Intangible assets
	Key Money
Acquisition price, beginning of year	6.709.320
Additions during the year	0
Acquisition price, at year-end	**6.709.320**
Depreciation and impairment losses, beginning of year	-6.709.320
Depreciation for the year	0
Impairment losses for the year	0
Depreciation and impairment losses, at year-end	**-6.709.320**
Net book value as of December 31, 2016	**0**
Depreciation years	10 *years*

8 Tangible assets

	Fixtures, fittings, tools and Equipment	IT-equipment
Acquisition price, beginning of year	36.145.780	3.718.491
Additions during the year	2.370.107	776.604
Disposals during the year	-3.060.554	-568.677
Acquisition price, at year-end	**35.455.333**	**3.926.418**
Depreciation and impairment losses, beginning of year	-29.498.859	-2.766.928
Depreciation for the year	-2.278.976	-518.761
Impairment losses for the year	0	0
Disposals during the year	3.060.554	551.666
Depreciation and impairment losses, at year-end	**-28.717.281**	**-2.734.023**
Net book value as of December 31, 2016	**6.738.052**	**1.192.395**
Depreciation period	3-5 *years*	3 *years*

	Leasehold improvements
Acquisition price, beginning of year	48.822.659
Additions during the year	7.520.385
Disposals during the year	-4.022.609
Acquisition price, at year-end	**52.320.435**
Depreciation and impairment losses, beginning of year	-34.355.648
Depreciation for the year	-6.444.232
Impairment losses for the year	0
Disposals during the year	4.022.609
Depreciation and impairment losses, at year-end	**-36.777.271**
Net book value as of December 31, 2016	**15.543.164**
Depreciation period	5-10 *years*

Notes

9 Financial assets

	Deposits
Orginal cost as of Janaury 1, 2016	8.464.423
Additions	233.119
Disposals	-70.074
Net book value as of December 31, 2016	**8.627.468**

	2016 (DKK)	2015 (DKK)
10 Deferred income assets		
Prepaid insurance	69.748	265.339
Other prepaid expenses	1.586.765	3.186.809
Total	**1.656.513**	**3.452.148**

11 Deferred tax

Deferred tax comprises inventories, intangible and tangible assets.
Deferred income tax is determined using the tax rate at the balance sheet date that apply when the deferred tax is expected to be released as current tax.
The company expect to offset the deferred income tax in the positive tax result wihtin the next 2-3 years.

	2016 (DKK)	2015 (DKK)
Deferred tax, beginning of year	1.802.765	2.509.258
Deferred tax, adjustment previous years	278.436	-706.493
Deferred tax for the year	123.129	0
Deferred tax at year-end	**2.204.330**	**1.802.765**

12 Other provisions

Returns:
Other provision of 2.873 TDKK (2015: 1.667 TDKK) for anticipated returns based on previous experience on the level of returns.
The return is expected to be payable within one year from the balance sheet date.

	2016 (DKK)	2015 (DKK)
13 Deferred income		
Straight line leasing	2.971.549	3.547.781
Total	**2.971.549**	**3.547.781**

Notes

14 Contractual commitments

The Company has entered into tenancy agreements of renting premises. The total rent commitment amounts to TDKK 37.303 at December 31, 2016 (2015: TDKK 43.688), of which TDKK 23.852 mature in 2017 (2015: TDKK 22.819). The tenancy agreements have different termination possibilities and can be terminated in the period January 1, 2017 to October 31, 2025.

The Company has entered into leases of office equipment and cars. The total lease commitments amount to TDKK 1.224 at December 31, 2016 (2015: TDKK 619), of which TDKK 520 (2015: TDKK 406) mature in 2017. The remaing lease commitments mature within 3 years.

15 Contingent liabilities and securities

No contingent liabilities exist and are placed as security on the Company.

The Company is currently involved in a transfer pricing distibute with the Danish Tax Authorities regarding the income years 2011 – 2014. The outcome of the case is currently uncertain because of the uncertainties associated with it. Management don ot expect any material adjustments.

16 Related parties

HUGO BOSS Nordic ApS' related parties comprises of the following:

Controlling interest

Related parties with controlling interests is the Company's parent company:

HUGO BOSS International B.V.
Boeingavenue 255-257, NL-119 PD Schiphol Rijk
Holland

The company is a wholly owned subsidiary of HUGO BOSS International B.V., a company incorporated in the Netherlands. HUGO BOSS International B.V. is the holding and finance company of the HUGO BOSS Group owned by HUGO BOSS AG.
The directors regard HUGO BOSS AG, a company incorporated in Germany, as the ultimate parent undertaking an controlling party. Copies of the ultimate parent undertaking's group financial statements can be obtained from Dieselstrasse 12, 72555 Metzingen, Germany.

HUGO BOSS Nordic ApS ins included in the financial statements for:

HUGO BOSS AG
Dieselstrasse 12, 72555 Metzingen
Germany

Notes

Transactions with related parties

	2016	2015
	(t. DKK)	(t. DKK)
Net sales to associated companies	20.674	20.333
Net sales to parent company	470	0
Cost of goods from associated companies	44.848	38.068
Cost of goods from parent company	93.864	81.209
Income from other services from associated companies	-6.174	-9.324
Cost of services from parent company	15.184	15.980
Interest expenses from parent company	1.161	928
Receivables from associated companies	1.480	4.120
Payables to parent company	31.485	26.160

17 Proposed distribution of results

	2016	2015
	(DKK)	(DKK)
Proposed dividend recognised in equity	15.000.000	15.000.000
Retained earnings	3.731.368	2.116.974
	18.731.368	**17.116.974**