

# HUGO BOSS

Press Release

## **HUGO BOSS in the first nine months of fiscal 2004:**

- **Sales growth of 10%, organic sales up by 7%**
- **Currency-adjusted sales up by 12%**
- **BOSS Woman sales up by 42%**
- **Income before taxes up by 8% to EUR 138 million**

Metzingen. By the end of the first nine months of fiscal 2004, the fashion group HUGO BOSS had increased sales by 10%, or 12% adjusted for currency effects, to EUR 947 million (Q1 - Q3 2003: EUR 862 million). The product lines of socks, bodywear and knitwear, which were already integrated in 2003, and the product lines of shoes and leather accessories acquired in January 2004 continued to show particularly positive growth. The effect of this integration raised sales by 3%.

Markets. Sales in the European core markets showed very positive growth with a 12% rise (Q1 - Q3 2004: EUR 679 million, Q1 - Q3 2003: EUR 607 million). HUGO BOSS with its brands BOSS, HUGO and BALDESSARINI, was able to successfully depart from the declining trend in the German fashion market in the third quarter of 2004. In Germany, sales rose by 10% to EUR 229 million at the end of the first nine months of fiscal 2004 (Q1 - Q3 2003: EUR 208 million).

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Sales in the rest of Europe, with only a few exceptions, also rose significantly. For example, sales in Spain increased by 29% (Q1 - Q3 2004: EUR 30 million, Q1 - Q3 2003: EUR 23 million), in the United Kingdom by 25% (Q1 - Q3 2004: EUR 73 million, Q1 - Q3 2003: EUR 58 million), and in the Benelux countries by 23% (Q1 - Q3 2004: EUR 74 million, Q1 - Q3 2003: EUR 60 million).

With 22% growth (12% in Group currency), currency-adjusted sales in the Americas were considerably higher than at the end of the third quarter of 2003. Once again, the U.S. market exhibited the strongest growth with an increase in sales of 16% (28% on a currency-adjusted basis) to EUR 107 million (Q1 - Q3 2003: EUR 93 million).

In the Asia/Pacific region, HUGO BOSS was once again able to achieve double-digit growth as expected. Sales in this region rose by a total of 20% (27% on a currency-adjusted basis) to EUR 69 million (Q1 - Q3 2003: EUR 57 million). In Japan, sales rose by 26% to EUR 24 million (Q1 - Q3 2003: EUR 19 million). In China, sales developed even more dynamically, increasing by 31% to EUR 18 million (Q1 - Q3 2003: EUR 13 million).

Royalties. The integration of the product lines of socks, bodywear, and knitwear in the course of fiscal 2003, as well as the acquisition of the product lines of shoes and leather accessories in January 2004 into the Group's own business, caused royalties to decrease by 30% to EUR 28 million at the end of the first nine months of 2004 (Q1 - Q3 2003: EUR 40 million). Watches, eyewear and fragrances remain manufactured under license and showed favourable growth on the whole.

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BOSS Woman. Sales of BOSS Woman were 42% higher than in the same period of 2003 (Q1 - Q3 2004: EUR 55 million, Q1 - Q3 2003: EUR 39 million). BOSS Woman was therefore able to continue its successful development with a net income of EUR 1 million (Q1 - Q3 2003: EUR -2 million).

Earnings. At the end of the first nine months of fiscal 2004, income before taxes increased by 8% to EUR 138 million (Q1 - Q3 2003: EUR 128 million). Net income rose by 7% to over EUR 95 million (Q1 - Q3 2003: EUR 89 million).

"The developments in the first nine months of fiscal 2004 emphasize the strength of our company and brands. We will therefore achieve our targets for 2004 and continue on the path of profitable growth", commented Dr. Bruno Sälzer, Chairman of the Managing Board of HUGO BOSS AG, on the results of the first nine months of 2004.

Outlook. Based on the persistently positive developments of the past nine months, the Managing Board of HUGO BOSS AG confirms its prognosis for fiscal 2004.

# H U G O B O S S

The detailed current quarterly report as well as additional information on the company may be obtained on our website ([www.hugoboss.com](http://www.hugoboss.com)).

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