

HUGO BOSS

Press Release

HUGO BOSS in the first nine months of fiscal 2005:

- **Sales up by 12%**
- **Net income rises 19%**
- **Positive sales and earnings trend for BOSS Woman**

Metzingen. Sales of the HUGO BOSS fashion group increased by 12% to EUR 439 million in the third quarter of the current fiscal year (Q3 2004: EUR 393 million).

At the end of the first nine months of 2005, cumulative sales had improved by 12% to a total of EUR 1,063 million (Q1-Q3 2004: EUR 947 million). Adjusted for currency fluctuations, the sales increase for the first nine months of 2005 was 13%.

Markets. In Europe, the HUGO BOSS Group's positive sales trend allowed it to outperform the overall market, which remained difficult. At EUR 756 million, sales for the first nine months of 2005 were up 11% over the same period in 2004 (Q1-Q3 2004: EUR 679 million).

HUGO BOSS also saw significant growth in Germany in the first nine months despite the sustained weak market, with sales increasing by 10% to EUR 251 million (Q1-Q3 2004: EUR 229 million).

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In the rest of Europe, HUGO BOSS experienced similar growth as a whole. At the end of the first nine months of 2005, sales had increased by 26% in Scandinavia to EUR 44 million (Q1-Q3 2004: EUR 35 million), by 21% in Spain to EUR 36 million (Q1-Q3 2004: EUR 30 million), by 18% in France to EUR 104 million (Q1-Q3 2004: EUR 88 million), and by 8% in the United Kingdom/Ireland to EUR 79 million (Q1-Q3 2004: EUR 73 million). In Italy, however, sales for the first nine months of 2005 were down slightly by 3% to EUR 43 million due to the overall weak market (Q1-Q3 2004: EUR 44 million).

Sales in North and South America were positive in the first nine months of fiscal 2005, improving by 12% to EUR 171 million (Q1-Q3 2004: EUR 152 million). Adjusted for currency fluctuations, sales were approximately 13% higher than in the prior-year period. The strongest growth was seen in the U.S., where sales rose 18% in local currency. In euro terms, sales improved by 14% from EUR 107 million to EUR 123 million as of the end of September 2005.

The dynamic business trend in Asia/other regions continued for HUGO BOSS in the first nine months of 2005. Sales in this region rose by 25% to EUR 109 million from EUR 87 million in the prior-year period. Currency-adjusted sales improved by 27%. In Japan, sales grew by 16% to EUR 28 million (Q1-Q3 2004: EUR 24 million), and sales in China increased by 32% to EUR 24 million (Q1-Q3 2004: EUR 18 million).

Royalties. The product groups licensed out – fragrances, eyewear and watches – declined slightly by 2% to EUR 28 million in the first nine months of fiscal 2005 (Q1-Q3 2004: EUR 28 million). However, adjusted by non-recurring effects in 2004, royalties performed well in the first three quarters of 2005, increasing by 2%.

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BOSS Woman. The sustained positive sales trend of BOSS Woman continued in the first three quarters of fiscal 2005, with sales increasing sharply by 37% to EUR 74 million (Q1-Q3 2004: EUR 55 million). Net income for BOSS Woman improved to EUR 2 million (Q1-Q3 2004: EUR 1 million).

Earnings. Earnings before interest and taxes (EBIT) rose by 16% to EUR 166 million (Q1-Q3 2004: EUR 143 million). Net income increased by 19% to EUR 114 million as of the end of the third quarter (Q1-Q3 2004: EUR 95 million).

“The re-alignment of HUGO BOSS with a focus on womenswear, accessories and on streamlining our business processes has sparked new dynamics for our Company,” commented Dr. Bruno Sälzer, Chair of the Managing Board of HUGO BOSS AG. “As a leading fashion group, it is very important for us to see that we were especially successful in all areas that demand a high degree of creativity and innovation.”

Outlook. Based on the positive performance of the first nine months, the Managing Board continues to anticipate an increase in currency-adjusted sales of 10% for 2005 as a whole. Net income is expected to grow to EUR 105 million (2004: EUR 88 million).

The full report on the first nine months of 2005 as well as additional information about HUGO BOSS AG may be obtained on our website (www.hugoboss.com).

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