

HUGO BOSS

Press Release

HUGO BOSS in the first half of fiscal 2006:

- **Group sales up by 14% (13% when adjusted for currency effects)**
- **Income before taxes increases by 18% to EUR 79 million**

Metzingen, July 27, 2006. Sales of the HUGO BOSS Group rose by 14% to EUR 712 million in the first half of 2006 (H1 2005: EUR 624 million). On a currency-adjusted basis, sales increased by 13%. This improvement is evidence of the Company's sustained, dynamic business performance.

In Germany, HUGO BOSS increased sales by 8% to EUR 164 million (H1 2005: EUR 152 million) despite the still slightly declining German fashion market. In the rest of Europe, sales rose by 16% to EUR 327 million in the first half of the current fiscal year (H1 2005: EUR 282 million).

An upward trend was also seen in the USA, where sales in the first half of 2006 had risen 22% in euros (17% in local currency) from EUR 78 million to EUR 96 million.

BOSS Womenswear generated sales of EUR 73 million in the first six months of 2006. This corresponds to a significant increase of 73% over the prior-year period (H1 2005: EUR 42 million), and was partly due to the successful launch of BOSS Orange Womenswear. Net income for the Womenswear segment improved to EUR 2.5 million (H1 2005: EUR 0.6 million).

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Other significant contributions to sales growth were made by shoes and leather accessories, which were up 46%, and the Group's own retail business, which increased 42% (currency-adjusted, like-for-like growth: 9%).

Pre-tax earnings rose by 18% to EUR 79 million in the first half of fiscal 2006 (H1 2005: EUR 67 million), while net income increased by 19% to EUR 54 million (H1 2005: EUR 46 million).

“HUGO BOSS has continued to grow in all key global markets. We are particularly pleased with the positive business performance in the U.S. with a sales growth of 17% in local currency, as well as the dynamic growth of BOSS Womenswear,” commented Dr. Bruno Sälzer, Chairman of the Managing Board of HUGO BOSS AG.

The results for the first six months of the current fiscal year have confirmed the Group's forecast for the year as a whole. The Managing Board is anticipating currency-adjusted sales growth of 10-12% and income before taxes should grow at the same rate as sales.

Additional information on HUGO BOSS AG may be found on our website at www.group.hugoboss.com.

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