Mandatory Publication in accordance with Section 27(3) sentence 1 and Section 14(3) sentence 1 of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz)

H U G O B O S S

Joint Opinion (Gemeinsame Stellungnahme)
of the Managing Board (Vorstand) and
the Supervisory Board (Aufsichtsrat)

of

HUGO BOSS AG
Dieselstraße 12, 72555 Metzingen, Germany

in accordance with Section 27 of the German Securities Acquisition and Takeover Act

concerning the Voluntary Public Tender Offer (Cash Offer)
in accordance with Section 29 of the German Securities Acquisition and Takeover Act

of

Red & Black Lux S.à r.l.
282, route de Longwy, L-1940 Luxembourg

to the shareholders of HUGO BOSS AG

HUGO BOSS Common Shares: ISIN DE0005245500
HUGO BOSS Preference Shares: ISIN DE0005245534

HUGO BOSS Tendered or Subsequently Tendered Common Shares: ISIN DE000A0N4PS1
HUGO BOSS Tendered or Subsequently Tendered Preference Shares: ISIN DE000A0N4PT9

THIS DOCUMENT IS A NON-BINDING CONVENIENCE TRANSLATION OF THE GERMAN REASONED OPINION OF THE MANAGING BOARD AND THE SUPERVISORY BOARD PUBLISHED ON 20 JULY 2007

I. GENERAL INFORMATION ABOUT THIS REASONED OPINION

On 12 July 2007, Red & Black Lux S.à r.l. (the "**Bidder**") published in accordance with Section 29 and Section 14(2) and (3) of the German Securities Acquisition and Takeover Act (Wertpapiererwerbs- und Übernahmegesetz, WpÜG) (the "**Takeover Act**") the offer document within the meaning of Section 11 of the Takeover Act (the "**Offer Document**") relating to the Bidder's voluntary public tender offer (freiwilliges öffentliches Übernahmeangebot) to the holders of shares in HUGO BOSS AG, Metzingen ("**HUGO BOSS AG**" or the "**Company**" and, together with its affiliated companies, "**HUGO BOSS**"), for the acquisition of all bearer common shares of HUGO BOSS AG (collectively, the "**HUGO BOSS Common Shares**" and each, a "**HUGO BOSS Common Share**") at a purchase price of € 48.33 in cash per HUGO BOSS Common Share and for the acquisition of all bearer preference shares of HUGO BOSS AG (collectively, the "**HUGO BOSS Preference Shares**" and each, a "**HUGO BOSS Preference Share**" and, together with the HUGO BOSS Common Shares, the "**HUGO BOSS Shares**") at a purchase price of € 43.45 in cash per HUGO BOSS Preference Share (the "**Offer**"). Pursuant to the Offer Document, investment funds advised by the Permira group, including the private equity fund Permira IV, are, among others, persons acting jointly with the Bidder. In this reasoned opinion, the investment funds advised by the Permira group, the Bidder and the other Acquisition Entities (as defined in the Offer Document) are collectively referred to as "**Permira**".

On 12 July 2007, the Offer Document was submitted to the Managing Board (Vorstand) of the Company (the "**Managing Board**"). In fulfilment of its duties, the Managing Board forwarded the Offer Document to the Supervisory Board (Aufsichtsrat) of the Company (the "**Supervisory Board**") and the works council (Betriebsrat) of HUGO BOSS (the "**Works Council**").

The Offer is addressed to all holders of HUGO BOSS Shares (collectively, the "**HUGO BOSS Shareholders**" and each individually, a "**HUGO BOSS Shareholder**") and, according to the Offer Document, applies to the acquisition of all HUGO BOSS Shares including dividend entitlement for the 2007 financial year.

The Managing Board and the Supervisory Board point out that they are unable to verify whether the HUGO BOSS Shareholders, in accepting the Offer, are acting in accordance with all legal obligations which may apply to them individually. The Managing Board and the Supervisory Board recommend in particular that all persons who obtain the Offer Document outside of the Federal Republic of Germany or who wish to accept the Offer but are subject to securities laws of any jurisdictions other than the Federal Republic of Germany inform themselves of, and comply with, such laws.

In connection with the following reasoned opinion (Stellungnahme) on the Offer pursuant to Section 27 of the Takeover Act (the "**Reasoned Opinion**"), the Managing Board and the Supervisory Board point out the following:

1. Legal Basis of this Reasoned Opinion

Pursuant to Section 27(1) sentence 1 of the Takeover Act, the managing board (Vorstand) and the supervisory board (Aufsichtsrat) of a target company are each obliged to provide a reasoned opinion (Stellungnahme) regarding a tender offer and any amendments thereto. Furthermore, the competent works council (Betriebsrat) of the target company may submit a reasoned opinion on the tender offer to the managing board pursuant to Section 27(2) of the Takeover Act.

The Works Council has informed the Managing Board that it shares the assessment of the Managing Board and the Supervisory Board in this Reasoned Opinion.

2. Factual Basis of this Reasoned Opinion

All information, forecasts, assessments, valuations, forward-looking statements and expressions of intent contained in this Reasoned Opinion are based on the information available to the Managing Board and the Supervisory Board on the date of the publication of this Reasoned Opinion or, as the case may be, reflect their assessments or intentions at that time. This information may change after the date of publication of this Reasoned Opinion. Neither the Managing Board nor the Supervisory Board nor the Company assume any responsibility to update this Reasoned Opinion, except to the extent they are obliged to do so under German law.

The information contained herein about the Bidder, Permira, Valentino Fashion Group S.p.A. ("**Valentino**") and the Offer is based on information provided in the Offer Document and other publicly available information (unless expressly indicated otherwise). The Managing Board and the Supervisory Board point out that they are unable to verify the information provided in the Offer Document by the Bidder or to guarantee its implementation.

3. Publication of this Reasoned Opinion and of any Additional Reasoned Opinions on any Amendments to the Offer

In accordance with Section 27(3) and Section 14(3) sentence 1 of the Takeover Act, this Reasoned Opinion – as well as any additional reasoned opinions on any amendments to the Offer, if any – will be published on the Internet on the Company's website at http://group.hugoboss.com/en/ as well as by announcement (Hinweisbekanntmachung) in the electronic version of the Federal Gazette (elektronischer Bundesanzeiger) and by making this Reasoned Opinion available free of charge at HUGO BOSS AG, Dieselstraße 12, 72555 Metzingen, Germany (fax: +49 (0)7123-94-2020).

This Reasoned Opinion and all additional reasoned opinions on any amendments to the Offer, if any, will be published in German pursuant to the legal requirements and are the only binding documents. English translations, however, for the correctness of which no responsibility is assumed, will be published together with the German language Reasoned Opinion and all additional reasoned opinions, if any.

4. Own Review by the HUGO BOSS Shareholders

Each HUGO BOSS Shareholder has to make its own assessment, whether and for how many HUGO BOSS Shares it accepts the Offer, thereby taking into consideration the overall circumstances, its individual situation (including with regard to taxes) and its personal assessment of the future development of the value and the market price of the HUGO BOSS Shares. When making the decision about accepting or not accepting the Offer, the HUGO BOSS Shareholders should use all available sources of information and should sufficiently take into account their individual situation. It shall be considered whether individual legal advice should be retained prior to a possible acceptance of the Offer.

II. INFORMATION ABOUT THE OFFER

1. Execution of the Offer

The Offer is being conducted by the Bidder in the form of a voluntary public tender offer (freiwilliges öffentliches Übernahmeangebot) (cash offer) for the acquisition of the HUGO BOSS Shares in accordance with Section 29 of the Takeover Act. According to the Offer Document, the Offer will be implemented in the United States of America ("**United States**") pursuant to Section 14(e) and Regulation 14E of the U.S. Securities Exchange Act of 1934, as amended ("**Exchange Act**"). Pursuant to the class exemptive relief from Rule 14e-5 under the Exchange Act granted by the Staff of the Division of Market Regulation of the U.S. Securities and Exchange Commission (SEC) on 2 March 2007, the Bidder would have the right to acquire, or make arrangements to acquire, HUGO BOSS Shares other than pursuant to the Offer on or off the stock exchange outside the United States during the period in which the Offer remains open for acceptance, provided that such acquisitions or arrangements to acquire would comply with the applicable German legal provisions, in particular the WpÜG.

2. Background of the Offer

According to the Offer Document, the Offer is made in connection with the intention of the Bidder to gain control over Valentino and HUGO BOSS. Valentino indirectly holds approximately 78.8 % of the issued HUGO BOSS Common Shares and approximately 22.0 % of the issued HUGO BOSS Preference Shares and is currently the largest shareholder of HUGO BOSS AG.

On 16 May 2007, the Bidder acquired, according to its own information, 21,951,000 Valentino shares from International Capital Growth S.à r.l. ("**ICG**"), representing approximately 29.6 % of the ordinary share capital of Valentino. In addition, on 1 June 2007, 28 June 2007 and 3 July 2007, the Bidder would have entered into share purchase agreements with certain shareholders of Valentino, including Canova Partecipazioni S.r.l. and Cavona Investimenti S.r.l. (together "**Canova**"), about 22,643,993 Valentino shares, representing approximately 30.6 % of the ordinary share capital of Valentino. Following receipt of antitrust clearances, such shares could be transferred to the Bidder or another Acquisition Entity. Further, on 1 June 2007, the

Bidder would have entered into an agreement with members of the Marzotto family and Tidus S.r.l. ("**Tidus**") about 9,209,018 Valentino shares (about 12.4 % of the ordinary share capital of Valentino) (the "**Tidus Shares**"). Based on this agreement, on 14 June 2007, Tidus would have issued an exchangeable bond to the Bidder, such bond being exchangeable into shares of Valentino at the sole discretion of the Bidder. Under the terms of a shareholders' agreement entered into with Tidus on 28 June 2007, Tidus would have undertaken to exercise the voting rights as well as all voting rights related to the Tidus Shares, in particular in relation to the appointment or removal of any member of the board of directors of Valentino, at all shareholders' meetings of Valentino in accordance with the written instructions of the holder of the exchangeable bond.

According to the Offer Document, after fulfilment of the conditions relating to merger control, entities of Permira will jointly control Valentino, as they will together control more than 50 % of the voting rights in Valentino. By way of attribution of the voting rights indirectly held by Valentino in HUGO BOSS AG, also HUGO BOSS AG would, at such point in time, become an indirect subsidiary of Permira, and the Bidder as well as Permira would thereby acquire control over HUGO BOSS AG. As they would then, in principle, have to submit a mandatory offer (Pflichtangebot) to the shareholders of HUGO BOSS to purchase their shares, the Bidder would have decided on 1 June 2007 to launch the Offer already now as a voluntary public takeover offer to the HUGO BOSS Shareholders instead of submitting a mandatory offer later. Prior to the decision to launch the Offer, two Q&A sessions and a management meeting as well as a telephone conversation with representatives of HUGO BOSS took place in mid May 2007. In the course of these conversations, selected information on the legal, financial, tax and operative situation at HUGO BOSS were disclosed to the Bidder.

According to the Offer Document, the Bidder has published its intention to make a public tender offer to the Valentino shareholders on 1 June 2007.

Further information on the background of the Offer can be found in Section 8 of the Offer Document.

3. Material Terms of the Offer

a. Offer Prices, Acceptance Period

The Bidder offers to acquire all of the HUGO BOSS Common Shares at a purchase price of € 48.33 in cash per HUGO BOSS Common Share (the "**Offer Price for HUGO BOSS Common Shares**") and all of the HUGO BOSS Preference Shares at a purchase price of € 43.45 in cash per HUGO BOSS Preference Share (the "**Offer Price for HUGO BOSS Common Shares**" and, together with the Offer Price of HUGO BOSS Common Shares, the "**Offer Prices**"), in each case including dividend entitlements for the 2007 financial year.

According to the information in the Offer Document, HUGO BOSS Shareholders may tender their HUGO BOSS Shares and accept the Offer beginning 12 July 2007 until 20 August 2007 at 24:00 hours local time Frankfurt am Main (the "**Acceptance Period**"). The additional acceptance period pursuant to Section 16(2) of the Takeover Act (the "**Additional Acceptance Period**") will end two weeks after publication of the results of the Offer by the

Bidder in accordance with Section 23(1) sentence 1 number 2 of the Takeover Act. The Bidder has stated in the Offer Document that it expects the Additional Acceptance Period to commence on 25 August 2007 and to end on 7 September 2007 at 24:00 hours local time Frankfurt am Main, unless the non-satisfaction of the Offer Conditions (as defined below) has become final by the end of the Acceptance Period.

b. Offer Conditions

The Offer and the share purchase agreements entered into by acceptance of the Offer are subject to conditions precedent (the "**Offer Conditions**") which have to be fulfilled before the Offer will be closed, unless, they are waived in accordance with applicable law. The Offer Conditions are described in detail in Section 13. of the Offer Document.

c. The Offer Document is Decisive for the Offer

For any additional information and details (in particular any details with regard to the Conditions Precedent, the acceptance periods, the terms of acceptance and the rights of withdrawal), HUGO BOSS Shareholders are referred to the statements contained in the Offer Document. The information set forth above merely summarises the information set out in the Offer Document. The Managing Board and the Supervisory Board advise that the Offer as it is described in this Reasoned Opinion does not purport to be complete and that the content and execution of the Offer as set out in the terms contained in the Offer Document are prevailing. It is the responsibility of each HUGO BOSS Shareholder to read the Offer Document and to take any necessary action required for the particular investor.

4. Publication of the Offer Document

The Offer Document has been published on the Internet at http://www.redandblack-angebot.de and by announcement (Hinweisbekanntmachung) in the electronic version of the Federal Gazette (elektronischer Bundesanzeiger). Copies are available free of charge at Bayerische Hypo- und Vereinsbank AG, Special Execution, MCD 3 Arabellastraße 12, 81925 Munich, Germany (fax: +49 (0)-89-378-21771, e-mail: redandblack-angebot@hvb.de). Details are described in the Offer Document.

III. INFORMATION ABOUT THE TARGET COMPANY AND THE BIDDER

1. HUGO BOSS

a. General Information

The target company HUGO BOSS AG is a stock corporation (Aktiengesellschaft) with its registered office in Metzingen, registered with the commercial register of the Local Court (Amtsgericht) Stuttgart under registration no. HRB 360610. The headquarters of the Company are located at Dieselstraße 12, 72555 Metzingen, Germany.

As of the date of this Reasoned Opinion, the Company's registered statutory share capital (Grundkapital) amounted to € 70.400.000, divided into 35,860,000 bearer common shares with no par value and 34,540,000 bearer preference shares with no par value, in each case with each share representing a notional share in the registered statutory share capital of € 1.00. As of the date of this Reasoned Opinion, the Company held 1,383,833 HUGO BOSS Shares as treasury shares (eigene Aktien), of which 528,555 are common shares and 855,278 are preference shares. This amount represents approximately 1.97 % of the total registered statutory share capital of the Company.

The HUGO BOSS Shares are admitted to trading on the official market (Amtlicher Markt) and to the subsegment of the official market with additional post-admission obligations (Prime Standard) of the Frankfurt Stock Exchange and are traded there on the electronic trading system XETRA. The HUGO BOSS Common Shares are traded under the symbol "BOS", the German Securities Identification Number (Wertpapierkennnummer, WKN) 524550 and the International Securities Identification Number (ISIN) DE0005245500 and the HUGO BOSS Preference Shares are traded under the symbol "BOS3", WKN 524553 and ISIN DE0005245534. HUGO BOSS Shares are also traded on the stock exchanges in Stuttgart, Düsseldorf, Berlin-Bremen (HUGO BOSS Preference Shares only), Munich, Hamburg und Hanover (HUGO BOSS Preference Shares only). The HUGO BOSS Shares are part of the stock index CDAX, the HUGO BOSS Preference Shares are in addition part of the stock indices MDAX und MSCI.

The fiscal year of the Company is the calendar year.

b. Business

HUGO BOSS is since many years a leading company in superior fashion and continuously expands this position. In 2006, the fashion group generated sales of € 1.5 billion with a workforce of more than 8,400 employees. The global marketing network and the comprehensive knowledge of markets and consumers in over 100 countries flank this continuing success as cornerstones. Further indicators of the strength of HUGO BOSS are the high number of more than 1,000 HUGO BOSS Stores worldwide and more than 5,700 other retail outlets which are distribution partners.

The BOSS and HUGO brands cover all major fashion segments for men and women. Additional product groups such as shoes and accessories, fragrances, eyewear and watches complement the individual collections.

Today the BOSS image is transported by four independent and distinctively positioned fashion lines targeting various needs. The menswear collections focus under the line BOSS Black on elegant businesswear, with BOSS Selection offering luxurious tailored fashions and BOSS Orange providing up-to-date casualwear. In addition, the BOSS Green collection offers performance sportswear. At the same time, the womenswear segment has been expanded both systematically and successfully. Today, the refined looks of BOSS Black and the hip, creative fashions of BOSS Orange are now available for women as well.

The HUGO brand, launched in 1993, adds unconventional accents and uniquely different styles. The line includes womenswear since the end of the 1990s.

2. The Bidder

According to the Offer Document, the Bidder is a limited liability company under the laws of the Grand Duchy of Luxembourg (Société à responsabilité limitée) with its seat (Sitz) in Luxembourg and registered in the commercial register of the Grand Duchy of Luxembourg (Registre de Commerce et des Sociétés) under registration number B 127992. The Bidder states that it would have been founded on 15 May 2007. It would be the purpose of the Bidder to acquire, hold, manage and dispose of participating interests, in any form whatsoever, in Luxembourg or foreign enterprises, to acquire any securities, rights and assets through participation, contribution, underwriting firm purchase or option, negotiation or in any other way and to acquire patents and licences, to manage and develop them. The Bidder could borrow and raise funds, including, but not limited to, borrowing money in any form or obtaining any form of credit facility and raise funds through, including, but not limited to, the issue of bonds, notes, debentures, promissory notes, and other debt or equity instruments, convertible or not, on a private basis for the purpose listed above. The registered share capital of the Bidder would amount to € 1,000,000, divided into 1,000,000 shares with a par value of € 1.00, each of which represents a pro rata amount of the registered share capital of EUR 1.00. The bearer shares of the Bidder would not be admitted to trading on the stock market.

Additional details about the structure of the Bidder and persons acting jointly with it may be found in Section 6 of the Offer Document.

IV. FORM AND AMOUNT OF THE CONSIDERATION OFFERED

1. Form and Amount of the Consideration

The Bidder offers a consideration in the amount of € 48.33 in cash per HUGO BOSS Common Share and in the amount of € 43.45 in cash per HUGO BOSS Preference Share, in each case including dividend entitlements for the 2007 financial year.

2. Statutory Minimum Price

To the extent the Managing Board and the Supervisory Board are in a position to verify this on the basis of the information available, the Offer Prices for the HUGO BOSS Shares are in accordance with the provisions of Sections 3 et seq. of the Offer Regulation under the Takeover Act (the "**Offer Regulation**") concerning the statutory minimum price which is determined by the higher of the following thresholds.

a. Previous Acquisitions

Pursuant to Section 4 of the Offer Regulation, the consideration for the shares of the target company must at least correspond to the value of the highest consideration for the acquisition of shares of the target company granted or agreed by the bidder, persons acting jointly with it within the meaning of Section 2(5) of the Takeover Act or their subsidiaries within the last six months prior to the publication of the offer document.

The Bidder stated in the Offer Document that neither it nor a person acting in concert with it within the meaning of Section 2(5) of the Takeover Act nor their subsidiaries have, during the last three months prior to publication of the Offer Document, acquired HUGO BOSS Shares or agreed to acquire HUGO BOSS Shares.

b. Market Prices

In tender offers for shares admitted to trading on a German stock exchange, the consideration must at least equal, pursuant to Section 5 of the Offer Regulation, the weighted average market price (quoted on German stock exchanges) for those shares during the three months-period prior to the announcement of the decision to make the offer.

The weighted average price for HUGO BOSS Common Shares during the three months-period prior to the announcement of the decision to make the Offer on 1 June 2007, as published by the Federal Financial Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht) ("**BaFin**"), was € 48.33 per HUGO BOSS Common Share and corresponds to the Offer Price for HUGO BOSS Common Shares.

The weighted average price for HUGO BOSS Preference Shares during the three months-period prior to the announcement of the decision to make the Offer on 1 June 2007, as published by BaFin, was € 43.45 per HUGO BOSS Preference Share and corresponds to the Offer Price for HUGO BOSS Preference Shares.

3. Assessment of the Offered Consideration by the Managing Board and the Supervisory Board

The Managing Board and the Supervisory Board have reviewed in detail whether the amount of the consideration offered by the Bidder for HUGO BOSS Common Shares and HUGO BOSS Preference Shares is adequate. The Managing Board was assisted by Deutsche

Bank AG and the Supervisory Board was assisted by Dresdner Bank Aktiengesellschaft (Dresdner Kleinwort) (together, the "**Investment Banks**") in their respective assessments whether the consideration is adequate (angemessen).

The Managing Board and the Supervisory Board have analysed the Offer Prices for the HUGO BOSS Shares from a financial point of view on the basis of certain valuation methodologies and the strategy and financial planning of the Managing Board. This analysis was conducted, inter alia, on the basis of valuations of the Investment Banks the results of which were presented to the Managing Board and the Supervisory Board and explained orally. The Managing Board and the Supervisory Board have satisfied themselves that the approach of the Investment Banks and the methodologies and analyses used by the Investment Banks were plausible. The used valuation methodologies included an analysis of valuation multiples of selected comparable transactions, an analysis of valuation multiples of selected comparable publicly traded companies, an analysis of offer premiums of selected transactions, a discounted cash flow analysis, a review of the recommendations and share price targets issued by equity research analysts both before and after the Bidder announced its intention to launch the Offer, an analysis of the historical share prices of the HUGO BOSS Shares and the historical surcharges and discounts of the stock prices of HUGO BOSS Preference Shares in relation to HUGO BOSS Common Shares and other companies with common and preference shares as well as surcharges and discounts of preference shares in relation to common shares in the context of selected transactions.

Taking into account all information, the Managing Board and the Supervisory Board come to the conclusion that the Offer Price for HUGO BOSS Common Shares of € 48.33 in cash per HUGO BOSS Common Share is in the middle of the relevant valuation margins whereas the Offer Price for HUGO BOSS Preference Shares of € 43.45 in cash per HUGO BOSS Preference Share is at the lower end of such valuation margins. Against this background, the Offer Prices (in particular the Offer Price for HUGO BOSS Common Shares) may be considered adequate (angemessen) for those investors interested in realising their investment in the short term. The Managing Board and the Supervisory Board expect that the share prices will continue to develop positively. Therefore, the Offer Prices (in particular the Offer Price for HUGO BOSS Preference Shares) are less attractive for HUGO BOSS Shareholders with a longer-term investment focus.

It should also be considered that, on 16 July 2007, the closing prices of the HUGO BOSS Shares in the electronic trading system XETRA of the Frankfurt Stock Exchange were € 48.71 (HUGO BOSS Common Shares) and € 45.94 (HUGO BOSS Preference Shares) and were therefore higher than the Offer Prices. In addition, the Bidder has set forth in the Offer Document that it does not necessarily have an interest in the acquisition of HUGO BOSS Shares as a result of the implementation of the Offer.

The Managing Board and the Supervisory Board have not assessed whether higher or lower amounts than the Offer Prices may be payable to the HUGO BOSS Shareholders as legally required adequate cash consideration in the future, e.g., in connection with a domination and profit and loss transfer agreement, a delisting, a squeeze-out or a restructuring. HUGO BOSS Shareholders accepting the Offer may not claim such cash consideration which becomes payable subsequent to the Offer.

V. OBJECTIVES OF THE BIDDER AND PROSPECTIVE EFFECTS OF THE OFFER

1. Objectives of the Bidder and Prospective Effects on HUGO BOSS

a. Future Business Activities, Assets and Liabilities of HUGO BOSS

According to the Offer Document, after fulfilment of the conditions relating to merger control, HUGO BOSS will become a portfolio company of Permira.

The Bidder believes, according to the Offer Document, that HUGO BOSS will continue to play a leading role in the global luxury goods/fashion market, also in the context of a potential consolidation of the market, in particular based on the following reasons:

- Uninterrupted effort in menswear, the main business of HUGO BOSS, both in the field of formalwear and casualwear;
- Continued leverage of the HUGO BOSS brand and supply chain capabilities, with a particular focus on the fast growing womenswear line;
- Extension of the current competencies in accessories;
- Continuing development of the mono-brand network, both through franchisees and directly operated stores, maintaining the balance between exploiting new opportunities to grow the business and using the capital in a disciplined manner;
- Continued benefit from the current powerful distribution network and effective customer relationships in the multibrand channel.

The Bidder would have the intention to maintain the business activity of HUGO BOSS and has no intentions to dispose of the assets of HUGO BOSS.

According to the Offer Document, the Bidder intends to provide a long-term, stable and supportive ownership structure for HUGO BOSS AG. Furthermore, the Bidder would intend to submit proposals to the Managing Board to review the capital structure of HUGO BOSS AG after gaining control over HUGO BOSS. Such proposals would be likely to cover HUGO BOSS AG’s dividend policy as well as an optimization of the capital structure which may also include adjusting debt to an efficient level. The Bidder would expect that such proposals would, as compared to the status quo, include a higher dividend and an adjustment of the debt to a higher level. The Bidder would submit such proposals with the objective of maintaining HUGO BOSS's mid- and long-term growth and business improvement perspectives. The Bidder would currently have no further intentions which would have impacts on the use of the assets or the future obligations of HUGO BOSS.

b. Managing Board and Supervisory Board

According to the Bidder, the composition of the Managing Board will not change as a result of the completion of the Offer. The completion of this Offer will have no effects on the size and the general composition of the Supervisory Board of HUGO BOSS. After gaining control over HUGO BOSS, the Bidder would intend to be represented on HUGO BOSS AG's Supervisory Board.

Against the background that the Bidder would be seeking a long-term commitment on the part of the senior management of HUGO BOSS, including the members of the Managing Board, the Bidder would intend to offer to individual members of the senior management, including the members of the Managing Board, an opportunity to acquire interests, directly or indirectly and on terms yet to be proposed by the Bidder and agreed upon, in one of the entities through which the Bidder (or Permira) would hold its (indirect) interest in HUGO BOSS AG.

c. Potential Structural Measures

According to the Offer Document, the Bidder does not envisage the conclusion of a domination and profit and loss transfer agreement (Beherrschungs- und Gewinnabführungsvertrag) pursuant to §§ 291 et seq. of the German Stock Corporation Act (Aktiengesetz, AktG) ("**AktG**") with HUGO BOSS as dominated entity. However, according to the Bidder's own statement, it might re-assess the conclusion of such an agreement after gaining control, in particular if this would – after an in-depth analysis – result in advantages for the financing structure.

The Bidder further states in the Offer Document that it does not intend to pursue the transfer of the HUGO BOSS Shares of the outside HUGO BOSS Shareholders to the principal shareholder (Hauptaktionär) in return for payment of an adequate cash consideration pursuant to §§ 327a et seq. AktG (squeeze-out). According to the Offer Document, the Bidder may consider the possibility that it will demand such a transfer if at a later stage at least 95 % of the registered share capital of HUGO BOSS AG belongs to it or to one of its affiliates. In the event that, following completion of this Offer or within three months after expiry of the Acceptance Period, the Bidder would hold at least 95 % of the HUGO BOSS Common Shares, the Bidder would be entitled to file an application pursuant to § 39a WpÜG for the remaining HUGO BOSS Common Shares to be transferred to it by court order in return for payment of an adequate consideration (squeeze-out under takeover law). If the Bidder, at the same time, would hold HUGO BOSS Shares representing not less than 95 % of the share capital, the Bidder would also be entitled to apply for a transfer of the remaining HUGO BOSS Preference Shares mutatis mutandis.

Following completion of the Offer, or at a later date, the Bidder might be entitled, to the extent legally permissible, to cause HUGO BOSS AG to apply for a revocation of the admission of the HUGO BOSS Shares to the subsegment of the official market (Amtlicher Markt) with additional post-admission obligations (Prime Standard) once the preconditions for such a step would exist.

Details on the described potential structural measures can be found in Section 9.6 of the Offer Document.

d. Assessment of the Objectives of the Bidder and of the Prospective Effects on HUGO BOSS

The Managing Board and the Supervisory Board welcome the statement of the Bidder to maintain the business activity of HUGO BOSS. They share the Bidder's view that HUGO BOSS will stand its ground in the global luxury goods/fashion market, also in the context of a potential consolidation of the market, and will continue to play a leading role in this market.

Regarding the Bidder's proposals to review the capital structure as well as the dividend policy, the Managing Board and the Supervisory Board welcome that also the Bidder has the objective to maintain HUGO BOSS's mid- and long-term growth and business improvement perspectives. The Managing Board and the Supervisory Board have the fiduciary duty to act in the Company's interest and the interest of all HUGO BOSS Shareholders. In exercise of that duty, the capital structure and the dividend policy of HUGO BOSS is already now reviewed continuously. The Managing Board and the Supervisory Board will take into account suggestions by HUGO BOSS Shareholders to the extent this is permitted by their fiduciary duties towards HUGO BOSS AG and the other HUGO BOSS Shareholders and they consider it to be appropriate in light of the interest of the Company and its future development.

The representation of the Bidder on the Supervisory Board has to comply with the statutory requirements for the appointment of members of the Supervisory Board. Details on the participation of the senior management of HUGO BOSS in the Bidder, which has been suggested by the Bidder, can be found in Section VII.1 below.

2. Intentions of the Bidder and Prospective Effects for the Employees and their Terms of Employment and for the Representative Bodies of the Employees and the Locations of HUGO BOSS

a. Statements by the Bidder

According to the Bidder's statements in the Offer Document, the business success of HUGO BOSS depends in particular on its creativity and its potential for innovation which both would highly depend on the quality and commitment of its employees. Therefore, the Bidder would not contemplate any staff reduction at HUGO BOSS as a consequence of its acquisition of control over HUGO BOSS. Further, the Bidder would not intend to procure any changes to the employees and the employee representation at HUGO BOSS. The Bidder would not have any intentions that would lead to material changes of the terms of employment.

According to the Offer Document, there is no intention to relocate the seat of HUGO BOSS AG and to relocate any significant business operations of HUGO BOSS.

b. Opinion of the Managing Board and the Supervisory Board

The Managing Board and the Supervisory Board welcome the statements of the Bidder that the business success of HUGO BOSS eventually depends on the competence and commitment of its employees and that the Bidder would not contemplate any staff reduction at HUGO BOSS and would not intend to procure any changes to the employees and the employee representation at HUGO BOSS and any material changes to the terms of employment. In addition, the Managing Board and the Supervisory Board welcome that the Bidder plans neither a relocation of the seat of HUGO BOSS AG nor of any significant business operations of HUGO BOSS.

In addition, it should be noted that the employment contracts will remain unaffected by the consummation of the Offer. The employment relations will continue to be effective with the same employer (there being no transfer of business (kein Betriebsübergang)). The terms of the employment contracts of the employees in Germany and abroad will remain unaffected. There will also be no changes to the application of collective bargaining agreements due to the consummation of the Offer. The works council agreements will remain in full force and effect.

VI. INTERESTS OF THE MEMBERS OF THE MANAGING BOARD AND THE SUPERVISORY BOARD

In connection with the Offer, the members of the Managing Board and of the Supervisory Board have not received or been promised any unjustified payments or other unjustified valuable consideration either from the Bidder or any person acting jointly with it.

1. Managing Board

The Bidder has set out in the Offer Document that it is of the opinion that a long-term commitment of the management would be in the interest of HUGO BOSS and would be of material significance for the value of the Bidder's investment in it. In view of this, the Bidder would be seeking a long-term commitment on the part of the senior management of HUGO BOSS, including the members of the Managing Board. Against this background, the Bidder would intend to offer to individual members of the senior management, including the members of the Managing Board, an opportunity to acquire interests, directly or indirectly and on terms yet to be proposed by the Bidder and agreed upon, in one of the entities through which the Bidder or Permira would hold its (indirect) interest in HUGO BOSS AG. However, no proposals would have been made to the Managing Board on the terms and conditions of such management participation so far.

The Managing Board confirms that Permira has explained to the Managing Board the abovementioned philosophy of a management participation and that, however, the terms and conditions of such participation have not been the subject to proposals to the Managing Board. The Managing Board has declared vis-à-vis Permira that it is sympathetic to a management participation, but that it has to protect the interests of the Company and all HUGO BOSS Shareholders at any time.

2. Supervisory Board

The members of the Supervisory Board Andrea Donà dalle Rose, Dario F. Segre and Antonio Favrin are members of the board of Valentino. The member of the Supervisory Board Andrea Donà dalle Rose is an indirect shareholder of Valentino through ICG. ICG has sold the majority of its Valentino shares to the Bidder prior to the Offer (see Section II.2 above for details). The members of the Supervisory Board Dario F. Segre and Antonio Favrin are indirect shareholders of Valentino through Canova. Canova has sold the majority of its Valentino shares to the Bidder prior to the Offer (see Section II.2 above for details). Andrea Donà dalle Rose did not attend the meeting of the Supervisory Board on 17 July 2007 in which the Supervisory Board discussed and approved this Reasoned Opinion.

VII. INTENTIONS TO ACCEPT THE OFFER

At the date of the publication of this Reasoned Opinion, members of the Managing Board and the Supervisory Board hold HUGO BOSS Shares as follows:

Name	HUGO BOSS Common Shares	HUGO BOSS Preference Shares	HUGO BOSS Shares Total
Managing Board			
Joachim Reinhardt	400		400
Supervisory Board			
Antonio Favrin		40,000	40,000
Dario F. Segre	25,000	50,000	75,000

The member of the Managing Board and the members of the Supervisory Board which hold HUGO BOSS Shares, will not tender their HUGO BOSS Shares into the Offer.

VIII. NO RECOMMENDATION

On the basis of the analysis by the Managing Board and the Supervisory Board of the adequacy of the amount of the consideration offered for the HUGO BOSS Shares (as set out in further detail in Section IV.3 above), the Offer Prices (in particular the Offer Price for HUGO BOSS Common Shares) may be considered adequate (angemessen) for those investors interested in realising their investment in the short term. The Managing Board and the Supervisory Board expect that the share prices will continue to develop positively. Therefore, the Offer Prices (in particular the Offer Price for HUGO BOSS Preference Shares) are less attractive for HUGO BOSS Shareholders with a longer-term investment focus.

Against this background, the Managing Board and the Supervisory Board refrain from issuing a recommendation to the HUGO BOSS Shareholders.

Each HUGO BOSS Shareholder must make its own decision by taking into account the overall circumstances, its individual position (including with regard to taxes) and its personal assessment of the possibilities as to the future performance of the value and market price of the

HUGO BOSS Shares. Subject to applicable law, the Managing Board and the Supervisory Board are not responsible in case the acceptance or non-acceptance of the Offer leads to adverse economic effects for a HUGO BOSS Shareholder.

Metzingen, 17 July 2007

HUGO BOSS AG

Managing Board Supervisory Board