

# HUGO BOSS

Press Release

## **HUGO BOSS in the first quarter of 2008:**

**Group sales rise by 5% (on a currency-adjusted basis), or by 2% in euros**

**Earnings before Interest and Tax increase by 7% before taking account of special effect**

**Company's own retail business continues to expand successfully**

Metzingen, April 30, 2008. In the first quarter of the current fiscal year, HUGO BOSS AG has succeeded in increasing sales by 2% to EUR 510 million (Q1 2007: EUR 500 million). Without taking account of fluctuations in the rates currency exchange, turnover has increased by 5%.

A declining German market, primarily attributable to changes in commercial partners' ordering patterns as the result of the sustained length of the winter season and the corresponding reticence of consumer purchasing, was overcompensated by an increase in sales in other countries. Thus, sales in Germany came to EUR 99 million (Q1 2007: EUR 104 million) while in other European countries, it was possible to achieve an increase, adjusted for currency effects, of 2% to EUR 265 million (Q1 2007: EUR 262 million).

In the growing markets of North America and Asia the HUGO BOSS Group was once again able to record a double-digit increase. On the American continent, currency-adjusted sales rose by 11%, at the conclusion of the first three months of the year 2008. In the process, sales in the USA in local currency rose by 16% and in euros by 1% to EUR 55 million (Q1 2007: EUR 54 million).

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In the first quarter of 2008, there were very welcome developments in the Asian region/other regions. In this context, HUGO BOSS has succeeded in increasing sales in local currencies by 28%, and in the reporting currency by 21%, to EUR 58 million (Q1 2007: EUR 48 million).

At the conclusion of the first three months of 2008, the Group's profits from licensing exhibit a very positive trend and have increased overall by 16% to EUR 12 million (Q1 2007: EUR 10 million). Further impetus in the licensing area is anticipated for the second half-year 2008 by virtue of the entry into the jewelry business.

It was also possible to achieve disproportionately high sales in BOSS womenswear and in the field of shoes and leather accessories by comparison with the Group's total sales in the first quarter of the current fiscal year. The Group's own retail business exhibited a positive development, contributing further to the additional growth over the regions, with 11 new stores bringing the quantity of BOSS's own stores to a total of 298.

Upon conclusion of the first three months of 2008, Earnings before Interest and Tax (EBIT) came to EUR 94 million (Q1 2007: EUR 99 million) which is 5% less than the figure for the corresponding period in the previous year. This result becomes a positive development with a 7% increase after correction according to the special effect produced by the management changes in the first quarter of 2008.

Cash-flow, under the influence of the special effect, declined in the result for the first three months of the current fiscal year, by 5% to EUR 79 million (Q1 2007: EUR 83 million). Free cashflow, at EUR 33 million (Q1 2007: EUR -3 million), was markedly above the previous year's figure.

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“Even at the beginning of 2008, HUGO BOSS was able to continue its successful path despite a challenging marketplace environment,” commented Joachim Reinhardt, CFO of HUGO BOSS AG. “For the ongoing trading period, we anticipate a currency-adjusted growth in sales of 6-8%. Earnings before Interest and Tax (EBIT) should increase by 8-10% before taking account of special effects. Accordingly we are able to confirm our previous outlook for 2008 as a whole.”

Please visit our website at [www.group.hugoboss.com](http://www.group.hugoboss.com) for the full report on the first quarter of 2008 and the Annual Report 2007 as well as additional information on HUGO BOSS.

If you have any questions, please contact:

Philipp Wolff

Director of Communication

Phone: +49 7123 94-2375

Fax: +49 7123 94-2051

Nicole Besemer

Director of Investor Relations

Phone: +49 7123 94-2478

Fax: +49 7123 94-2035