

HUGO BOSS

Press Release

HUGO BOSS in the first half of 2010:

- **Sales in the second quarter increased by 7% and nearly maintained at previous year's level for the first half of the year**
- **Retail sales up by 25%**
- **Double digit growth in turnover in America and Asia/Pacific**
- **EBITDA before special items increased by 7%**
- **Group net income improved by 31%**
- **Positive growth forecast for the year overall**

Metzingen (Germany), July 29, 2010. HUGO BOSS AG is back on track for growth in 2010. With sales increasing by 7% to EUR 325 million the second quarter recorded much more dynamic growth than the first quarter that was still affected by the orders of our retail partners that recovered slowly from the 2009 recession. In the first half of the year, Group sales totaled to EUR 769 million (-2%), nearly on previous year's level.

Growth in the company's own retail business has made a big contribution to the success during the reporting period. The corresponding sales increased by 25% to 288 million Euros (H1 2009: EUR 230 million).

This also includes sales from the retail outlets and the HUGO BOSS online stores. In the Group's own stores, like-for-like sales increased by 10%, and in the second quarter by 13%. Online sales in the first half of the year totals EUR 8 million (H1 2009: EUR 2 million), after the key American market was opened up further with this business model in the second quarter. The number of company-owned stores including outlets increased by a net 26 new locations in the first half of 2010, now totaling 458 worldwide.

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In the context of its international expansion, HUGO BOSS is now making its mark in the Asia/Pacific region through a joint venture established with the Rainbow Group on July 1, 2010. Our shared activities will contribute to an expansion of our retail network to 34 locations and an increase in the proportion of our sales that are earned outside Europe. In addition to this, the opening of around 20 additional stores has also seen the size of the Group's own retail network double.

In the first half of the year, sales in the whole of Europe (including the Middle East / Africa) went down by 9% to EUR 490 million (H1 2009: EUR 540 million), with just a slight fall of 3% being recorded in the second quarter. The consistent development of the growing markets of America and Asia/Pacific, however, meant that this was luckily offset. In these growth regions, sales both in the local currency and the reporting currency increased by double digit percentages. On the American continent, turnover in the reporting currency increased by 14% to reach EUR 169 million (H1 2009: EUR 148 million), in the Asia/Pacific region, sales increased by 17% to EUR 92 million (H1 2009: EUR 79 million).

The operating income before interest, taxes, depreciation and amortization and special items (EBITDA before special items) increased in the first half of the year by 7% to EUR 123 million (H1 2009: EUR 115 million). Accordingly, the EBITDA margin also increased in comparison with last year's value to 16.0% (H1 2009: 14.6%). The group's net income increased by 31% to EUR 63 million (H1 2009: EUR 48 million).

A consistent pricing policy also contributed to these clearly improved profits after tax, as well as the increased proportion of retail sales, the optimization of the operational costs structure and the lower interest payments.

Despite dividend payments totaling EUR 66.6 million, the net financial position fell by an additional EUR 40 million to a total of EUR 339 million. Over the last twelve months, financial debts have been reduced by EUR 190 million.

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“HUGO BOSS has used the last two years, characterized by the global economic crisis, to take a good look at its business model and to optimize it,” explains Claus-Dietrich Lahrs, CEO and Chairman of the Managing Board of HUGO BOSS AG. “The fact that we have defined the right areas of growth is shown by the welcoming figures from our retail division and our double digit growth in sales on the Americas and in Asia. The 2010 financial year is all set to be a great year for HUGO BOSS AG.”

For the overall year of 2010, the Managing Board of HUGO BOSS AG is forecasting currency-adjusted turnover to increase by 3-5%. The operational result (EBITDA before special items) is to disproportionately increase by 10-12% in the financial year.

The detailed half year report for 2010 as well as further information about HUGO BOSS AG is available at <http://group.hugoboss.com>.

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