



HARTMARX

CHARTING THE STRATEGY

2005 ANNUAL REPORT

HARTMARX

Hartmarx is an apparel holding company with its Men's Apparel Group and Women's Apparel Group overseeing five diversified businesses: Luxury, Tailored, Sportswear, Womenswear and International. Each of these entities executes its own targeted strategy for driving growth and generating value within the particular markets it serves. Together, they make Hartmarx a powerful, diversified apparel enterprise with steadily increasing sales volume, solid profitability and a growing global presence.

CHARTING THE STRATEGY

Strategic business planning and development has taken our Company from a single brand to a multiple brand enterprise. Over the years, this has led us to develop a powerful portfolio of diverse apparel brands, each of which has a strong market position and a well-defined image. Ranging from premier tailored clothing to fashion-forward women's apparel and trend-right sportswear, Hartmarx brands deliver quality merchandise across a spectrum of market segments. In 2005, we evaluated the growth plans for every one of our brands, refining them with the addition of new directives geared to boost their respective market positions. As a result, each of our five business groups enters 2006 with a clear strategy for the future.



FINANCIAL HIGHLIGHTS

	YEARS ENDED NOVEMBER 30,	
	2005	2004
Net Sales	\$598,167,000	\$586,413,000
Earnings Before Taxes	38,360,000	25,905,000
Net Earnings	23,555,000	15,865,000
Earnings Per Share:		
Basic	.65	.45
Diluted	.63	.44
Equity Per Share at November 30	6.62	6.16
Average Number of Common Shares and Common Share Equivalents:		
Basic	36,433,000	34,927,000
Diluted	37,212,000	36,286,000

HARTMARX BRAND PORTFOLIO

	MEN'S		WOMEN'S		SALES %
LUXURY	Hickey-Freeman hickey Royal Shirt	Burberry <small>Men's Tailored Clothing</small> Bobby Jones	Christopher Blue	Bobby Jones	21%
BRIDGE/ BETTER	Hart Schaffner Marx Austin Reed Jack Nicklaus Ted Baker Society Brand	Copley Keithmoor DKNY <small>DONNA KARAN NEW YORK</small>	Austin Reed Aura Exclusively Misook Ted Baker eye	L. Paseo Wörn Barrie Pace Starington Jag Jeans	46%
MAINSTREAM	Tommy Hilfiger Claiborne Kenneth Cole Perry Ellis Jhane Barnes Frequency	Palm Beach Pusser's Sansabelt Wimbledon			27%
MODERATE/ POPULAR	Naturalife Golden Bear Pierre Cardin	Lyle & Scott Jeffrey Banks Blassport			6%

LETTER TO OUR SHAREHOLDERS

2005 ANNUAL REPORT

For Hartmarx, 2005 was another year of substantial achievement. During this period, our sales grew to \$598.2 million, up from \$586.4 million in 2004, while net earnings increased 48% from \$15.9 million to \$23.6 million. 2005 marked our fourth consecutive year of posting a substantial increase in earnings which have grown from \$.03 per diluted share in 2002 to \$.25 in 2003, \$.44 in 2004 and \$.63 per share in 2005.

Over the last several years, we have made a practice of announcing our key financial goals at the beginning of each year, so stockholders can gauge our performance objectively. In 2005, we were very pleased that our 48% increase in net earnings exceeded our net earnings goal of a 30% to 40% increase. We met our revenue objective of a low-to-mid single-digit sales increase. While we also reduced debt slightly, net of acquisitions, we were disappointed that we fell well short of our debt reduction goal. More about that later.

The full year gross margin rate in 2005 improved to 33.9% compared to 32.4% in 2004, an improvement of 150 basis points. This increase is a direct result of our strategy of changing our product mix by aggressively eliminating products and programs that do not meet a certain profitability threshold while adding, either through acquisition or organic development, programs that do. As shown on the chart on Page 3, this has enabled us to shift our average price point higher and increase our penetration with luxury and upscale retailers. While very successful in increasing profitability, this strategy puts greater pressure on us to achieve top-line growth. Additionally, we drove gross margins higher by creating further efficiencies in our company-owned tailored clothing facilities, as well as by making incremental improvements in sourcing in both our men's and women's segments. Selling, general and administrative expenses of \$159.1 million declined from \$160.2 million in 2004, representing 26.6% of sales in 2005, compared to 27.3% in 2004. Interest expense for the full year increased to \$7.2 million in 2005 from \$6.5 million in 2004, principally attributable to higher interest rates.



“ For Hartmarx, 2005 was another year of substantial achievement during which we delivered sales growth and an exceptional improvement in earnings. ”

HOMI B. PATEL
Chairman, President and Chief Executive Officer

As stated earlier, we were disappointed that we missed our debt reduction goal. Total debt at fiscal year end November 30, 2005, was \$119.5 million, which reflected a small reduction of \$3.5 million from last year after excluding the \$21.0 million paid to acquire Simply Blue Apparel in October 2005. The debt level reflected higher tailored clothing inventories in basic suits and sportcoats, attributable in part to earlier receipts of sourced products and in part to the sluggishness of second half retail business that was impacted unfavorably by high gas prices and the aftermath of the hurricanes in the Gulf Coast region. Fortunately, our excess inventory is in basic usable merchandise that is not subject to any unusual markdowns and will not detract from the overall strength of our balance sheet. Reduction of our tailored clothing inventory has become a major priority and we are confident that these levels will moderate in 2006.

EXECUTING OUR ACQUISITION STRATEGY

Making strategic acquisitions has long been a core component of our growth plan. Indeed, Hartmarx has a solid track record of acquiring companies that create valuable synergies and bring new brands and product categories to our portfolio. We were very pleased with the full first year performance of the Exclusively Misook business, acquired in July 2004. Led by the multi-talented designer and founder, Misook Doolittle, this business generated sales of \$33 million in 2005 and contributed approximately \$.17 to diluted earnings per share.

In October of 2005, Hartmarx acquired the Simply Blue and Seymour Blue women's businesses, which design and market women's denim bottoms and related products to premium specialty stores. Simply Blue's Christopher Blue collection is solidly positioned in the classic better and sportswear market and offers jeans, jackets and capris in denim and other fabrications. Well-regarded for its flattering, yet comfortable fit and its exclusive technical fabrics, the Christopher Blue line is marketed through leading retailers including Neiman Marcus and over 1,000 high-quality specialty stores. Simply Blue Apparel also owns the Wörn and L. Paseo brands, and licenses the Jag Jeans brand through a design services agreement, all of which are marketed through high-end specialty stores, such as Nordstrom. For the full year 2006, we expect this business to generate over \$20 million in sales and \$.05 to \$.07 per share in earnings. We also see significant long-term opportunities to drive the growth of these businesses by extending their existing lines of women's merchandise, pursuing new licensing opportunities and introducing men's products. We are very pleased that Mel Matsui, founder and president, and Tom Hermann, executive vice president, have agreed to continue in their roles for a five year period.

As we move ahead, we are actively seeking to identify additional acquisitions that meet a list of very clearly defined strategic criteria. Our approach has been and will continue to be very disciplined. As stated previously, we remain committed to the belief that chasing acquisitions by overpaying and incurring excessive debt is not in the long-term interests of our stockholders. Any future acquisition must provide a strategic rationale for Hartmarx and must be accretive in the mid-term and long term.

From time to time, we find that buying back our own shares makes for a good acquisition. In October 2005, the Board of Directors approved a share repurchase program to acquire up to 2 million of the Company's common shares. Repurchases will be made from time to time in the open market or in privately negotiated transactions based on prevailing market conditions and other factors. At November 30, 2005, there were 37.2 million common shares outstanding.

PURSUING STRATEGIC INITIATIVES

Throughout this report we have included a brief description of each group's mission, an overview of its strategic objectives and the new initiatives undertaken by them. Let me cite a few examples of those initiatives here.

In our Hickey-Freeman business, we introduced a unique "hickey" line, which features vintage preppie clothing for a much younger consumer, and we launched a high-quality boys' line. Both of these new offerings are performing very well alongside our established selection of Hickey-Freeman clothing, dress furnishings and sportswear. In the process, they are helping to transform Hickey-Freeman into an international, multi-product brand. In 2005, we also opened a new Hickey-Freeman store on Wall Street, specializing in high-quality, handmade custom clothing.

In our Hart Schaffner Marx business, we brought in a new management team, and we have empowered this team to reinvigorate the image and design of this highly respected brand to those of its time-honored roots. The new team has already repositioned the quality, price-points and image of the brand to attract a more upscale consumer, thus creating a niche of modern, affordable luxury clothing. In 2006, we will unveil a new collection of Hart Schaffner Marx suits that will retail from between \$695 to more than \$1,000. We are supporting this repositioning through a major promotional effort that includes the development of colorful, new product packaging and a new advertising campaign. We are pleased with the early results of this initiative, which confirm our belief that Hart Schaffner Marx—long our largest and most profitable brand—still has plenty of growth opportunity, even after 118 years.

Copley, our Canadian company, is continuing to leverage its most powerful and sustainable competitive advantage—namely, *Custom in 7 Days*, which clearly distinguishes this business from its industry peers. Copley has aggressive plans for the growth of this program, and it intends to double its volume of custom-made clothing over the next three years.

We are revamping Barrie Pace, our womenswear catalog and internet operation, to extend its appeal to a younger consumer. In 2006, we will advance this effort by introducing new satellite catalogs under different names. We are also working to drive the growth of our sportswear division by adding Palm Beach, Lyle & Scott and Golden Bear to our other exclusive sportswear programs.

FOCUSING ON OUR GOALS

As noted earlier, Hartmarx begins each year by establishing a new set of financial goals. Our objectives for 2006 are:

- to achieve a low-to-mid single-digit sales increase;
- to grow earnings by 12%–20%; and
- to reduce debt on a comparable basis (excluding the impact of acquisitions, stock buy-backs or dividends) by 20%.

Meanwhile, our long-term goals remain unchanged:

- to achieve a 50/50 split between tailored and non-tailored categories, an objective we believe we will achieve in 2006;
- to deliver earnings per share of \$.90 in 2007; and
- to outperform the three- and five-year stock market indices.

While we are secure in our ability to grow our earnings, we are also mindful that we will face significant challenges in the coming year. Continuing consolidation among national department stores and the constant change of ownership and management that this brings is creating turmoil in the supply chain, causing some suppliers to lose business. Consolidation is also continuing on the apparel supplier side, changing the competitive landscape. Meanwhile, large retailers are working to increase their gross margins by emphasizing private-label merchandise and engaging in a greater volume of direct product sourcing from growing global suppliers like China and India. Finally, the trend to casual dressing, though somewhat abated in the last year, continues to be a challenge to a company whose core product offering was once men's suits.

2005 was another year of great achievement for your Company. The dedication and support of shareholders, employees, customers, suppliers and unions has been an important element of our progress this year. We are especially grateful to our factory associates who consistently deliver superb quality products on a timely basis. I personally feel very privileged to have access to an outstanding board of directors who provide meaningful guidance and direction on behalf of Hartmarx stockholders. As we move into 2006, I want to thank all of our constituents for their many contributions to Hartmarx. Moreover, I want to reiterate the pledge I have made to you for the last several years: to continue to work towards increasing earnings while providing principled, ethical leadership to our employees.



HOMI B. PATEL

Chairman, President and Chief Executive Officer

February 20, 2006

HARTMARX BRANDS & PRODUCTS

LUXURY

Pages 10–15

Bobby Jones®*

HF | HICKEY FREEMAN®

hickey™

BURBERRY®*
LONDON
MEN'S TAILORED CLOTHING

TAILORED

Pages 16–21

Austin Reed®*

HART SCHAFFNER MARX®

TOMMY HILFINGER®*

JHANE BARNES
Frequency®*

claborne®*



Palm Beach®

KENNETH COLE®*
new york

SANSABELT®

DKNY®*
DONNA KARAN NEW YORK

TED BAKER®*
LONDON

pierre cardin®*

SOCIETY BRAND, LTD.™

PERRY ELLIS®*

JEFFREY BANKS®*

WOMENSWEAR

Pages 22–27

BARRIE PACE LTD.®

Christopher Blue

Austin Reed®*

aura™

EXCLUSIVELY
misook®

L. Papeo™

STARINGTON™*

WÖRN®

cyc®

Jag jeans®*

SPORTSWEAR

Pages 28–33

NATURALIFE®

TED BAKER®*
LONDON

Jack & Jill®*

pierre cardin®*

BLASSPORT®*
BILL BLASS

JHANE BARNES
Frequency®*

JEFFREY BANKS®*

GOLDEN BEAR®*



Austin Reed®*

LYLE & SCOTT®*
SCOTLAND

INTERNATIONAL

Pages 34–39

ROYAL SHIRT™

Coppley™

KEITHMOOR®

CHARTING THE STRATEGY

LUXURY

“ Hickey-Freeman’s mission is twofold: to diversify and to grow. We want to transform ourselves from being an expert in a single product category, to being a multi-brand, multi-channel, multi-product-category luxury company. Over the years, we’ve made great progress on these fronts by targeting new markets, sales venues, brands and product lines. In the process, we have already transformed Hartmarx’s Luxury enterprise into a vertically integrated operation that manufactures, distributes and retails men’s, women’s and boy’s apparel under the Hickey-Freeman and Bobby Jones brands. We are committed to continuing to diversify and grow by creating an expanding selection of high-quality products, which reflect the American innovation and ingenuity that are hallmarks of the Hickey-Freeman brand. ”

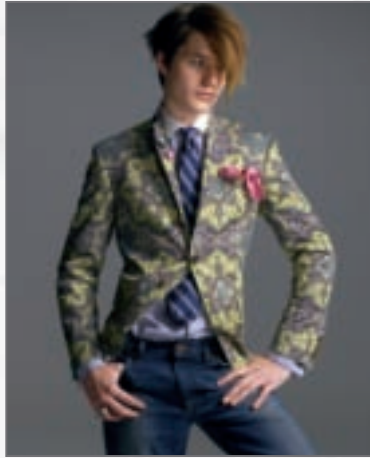
PAULETTE GARAFALO

*Group President and Chief Operating Officer,
Hickey-Freeman*





Hickey-Freeman Store: Wall Street



hickey



Bobby Jones Shop: Las Vegas

DRIVING GROWTH AND DIVERSIFICATION

Hickey-Freeman, the luxury operating unit of Hartmarx, markets multiple upscale brands, including Hickey-Freeman, hickey, The Bobby Jones Collections and Burberry men’s tailored clothing under license. A vertically integrated organization, the division distributes these brands through a network of Company-owned retail stores, e-commerce businesses and direct mail programs, as well as through luxury department stores, better specialty shops, and the finest golf clubs and resorts around the world.

Hickey-Freeman is firmly established as the premier American men’s tailored clothing brand, and every one of its garments offers a distinctive combination of superior fabric, fit, finish and feel. Hickey-Freeman ensures this level of quality by leveraging the expertise of more than 600 artisan tailors who work in the Rochester, New York, manufacturing facility where it has operated for more than one hundred years. In 2001, Hickey-Freeman extended its reach by opening its flagship store on 5th Avenue

in New York City. Based on the success of this venue, the division opened its first custom tailored shop at 111 Broadway in September 2005.

During the year, Hickey-Freeman took steps to diversify its product offerings and extend its appeal to new customer groups by introducing a new “hickey” line, which features vintage preppie clothing targeted to a younger consumer audience, and launching a high-quality line of boys’ apparel. Hickey-Freeman also continued to pursue its strategy of driving international growth through the development of licensing agreements. Over the last two years, Bobby Jones, the elite country club lifestyle brand, forged licensing agreements for belts, small leather goods, time pieces and golf equipment. The Bobby Jones golf equipment line is under the creative direction of Jesse Ortiz, arguably one of the world’s finest club designers, further promoting the quality and performance associated with the Bobby Jones name.



HICKEY FREEMAN





HICKEY FREEMAN



Bobby Jones



Bobby Jones



A man with glasses and a pinstriped suit stands in the foreground of a clothing store. Behind him, several mannequins are dressed in various styles of suits and jackets. The store has large windows and a modern interior with a wooden table and chairs. The lighting is warm and focused on the man and the clothing displays.

CHARTING THE STRATEGY
TAILORED

“ As the largest and most diversified branded tailored clothing business in America, our strategic focus is to excel in the “better” segment of each market in which we compete. To this end, we have developed a balanced, diversified portfolio of high-profile brands. Together, these brands offer the widest range of price and style options in the industry, positioning us to leverage a vast number of market opportunities and retail channels. We also draw on our six Company-owned domestic factories, worldwide sourcing capabilities and unrivaled expertise to provide retailers with the greatest degree of flexibility, value and quality in the industry. In short, our exceptional brand portfolio and unmatched manufacturing organization enable HMX Tailored to react quickly to important trends and to capitalize on emerging market opportunities. ”

RICHARD L. BIEGEL
Group President, HMX Tailored

CAPTURING “BETTER” MARKET SHARE

HMX Tailored employs a business strategy that is consistently directed toward upgrading its products and brands so that it can capture a larger share of the “better” market. With this as its goal, HMX Tailored focuses on marketing fashion-forward products from highly respected brands that offer clear benefits to consumers. Over the years, this business has executed its strategy by systematically building its portfolio of premier brands, and in 2005, it continued to do so, adding DKNY Donna Karan New York, Jhane Barnes Frequency and a new Kenneth Cole NY Collection.

Another vital aspect of the HMX Tailored strategy is ensuring that its brands remain properly positioned to lead their respective markets—as evidenced by its bold initiative to reposition the Hart Schaffner Marx brand in 2005. With a proud legacy of 118 years in the tailored clothing industry, Hart Schaffner Marx is a highly successful apparel brand, and it remains the volume-leader in the tailored



DKNY Donna Karen New York

clothing business in America. In 2005, Hartmarx embarked on an initiative to maximize the brand’s rich heritage by repositioning Hart Schaffner Marx as a modern, fashionable and affordable luxury collection. This effort encompassed redesigning the Hart Schaffner Marx logo and labels and developing a new line of sportswear for release in Fall of 2006. To promote these exciting changes, Hart Schaffner Marx launched a dynamic trade and consumer advertising and marketing campaign for Spring and Fall 2006.

The final core component of the HMX Tailored business strategy is to take continuous steps to be a valuable partner to its retail customers. The business accomplishes this by providing quick-response in-stock services, custom tailoring programs and training sessions for store personnel. Collectively, HMX Tailored’s unique combination of product, brand and service characteristics help make this business the most competitive player in its field.

1887

1900

1925

1950

1975

2000

2005



Hart Schaffner Marx
118 years of leadership and excellence



Hart Schaffner Marx

HART SCHAFFNER MARX



KENNETH COLE
new york



Austin Reed





CHARTING THE STRATEGY

WOMENSWEAR

“ The success of the Hartmarx Womenswear business is predicated on our collection of distinctive and focused brands, as well as on our in-depth understanding of the lifestyle preferences and apparel requirements of today’s women—much of which we garner through direct communication with our catalog and e-commerce customers. All of our brands occupy the bridge, better and luxury womenswear categories, and our strategy for growth is to develop and build volume in better department and specialty stores. We are committed to accomplishing this objective, and to elevating our key brands to market leadership by marketing high-quality products that are precisely aligned with the modern woman’s lifestyle. ”

SUSAN G. FALK

Group President, Womenswear

BUILDING OUR SALES VOLUME

The Hartmarx Womenswear business includes Exclusively Misook, International Women's Apparel, Barrie Pace and Simply Blue Apparel. While these businesses operate in different sectors of the women's better apparel market, they are all managed by a single leadership team.

2005 was a transition year for International Women's Apparel, when Austin Reed was split into two categories: the classic, tailored clothing styles that consumers associate with consistency and quality; and a new, modern collection that is geared to appeal to younger customers. The first edition of this collection will debut in March of 2006. In addition, Austin Reed's Starington blouse collection was expanded to include coordinated pants and collectible separates.

In Spring of 2005, Hartmarx Womenswear introduced a luxurious collection of tailored suits and separates, available exclusively at Nordstrom. Marketed under the Aura label, these products represent couture quality, and they have already exceeded sales expectations.

Another strong womenswear performer was Exclusively Misook, which produced close to \$35 million in sales during its first full year as a Hartmarx-owned business. Exclusively Misook also continued to drive growth in 2005, expanding its eveningwear collection and increasing its distribution to more top-tier specialty stores.

The Barrie Pace catalog and e-commerce operation brought in a new head merchant to reposition its merchandise and presentation to reflect a younger attitude. The results of this effort will be evident to current and new catalog and e-commerce customers in 2006.

In October of 2005, Hartmarx completed the acquisition of the Simply Blue and Seymour Blue women's denim businesses. Simply Blue's Christopher Blue collection encompasses jeans and tops for the contemporary "missy" customer. Christopher Blue and the other denim brands, Wörn, L. Paseo and Jag Jeans are marketed to the most exclusive department and specialty stores in the country.



Starington



Barrie Pace Catalog



eye

EXCLUSIVELY
misook



Austin Reed



BARRIE PACE LTD.



Christopher Blue



A man with grey hair and glasses, wearing a dark suit, white shirt, and patterned tie, stands in a textile design studio. He is surrounded by tables covered with various fabric samples, color swatches, and folded garments. In the background, other people are working at tables, and shelves are filled with more fabric and design materials. The overall atmosphere is one of a busy, creative workspace.

CHARTING THE STRATEGY
SPORTSWEAR

“ The core strategy of HMX Sportswear is to penetrate multiple niche markets by employing both dedicated and national brand marketing and merchandising programs. We are driving our progress by leveraging our extensive product and design capabilities and our worldwide sourcing competencies. Most important, we are drawing on our proven merchandising skills to develop and apply targeted marketing practices in a wide variety of retail channels to service the ultimate consumer. ”

JAY FRIEDMAN
Group President, HMX Sportswear

PENETRATING MULTIPLE NICHE MARKETS

HMX Sportswear designs, sources and markets apparel for a diverse range of retail channels, spanning both “better” and “moderate” market segments—from Ted Baker specialty stores, to better department stores and national value retailers, to club and resort pro shops. The business fulfills the dynamic needs of these market segments by offering both national brands, such as Jack Nicklaus, Ted Baker and Pusser’s of the West Indies, as well as brands that are dedicated to single retail store groups, including Austin Reed, Lyle & Scott and Blassport.

HMX Sportswear is sharply focused on providing its retail customers with both differentiation and extraordinary value. One of the ways that it accomplishes this is by employing a dedicated brand strategy through which it provides retailers well-designed, branded merchandise without the conventional

distribution costs associated with wholesale marketing of a single brand to multiple, competing retail store groups. HMX Sportswear supports this strategy by maintaining its own design studio in New York City, staffed with industry-leading creative professionals and sourcing experts skilled in conceptualizing and sourcing an extensive assortment of products, from golfwear to contemporary fashion apparel. As many brands and designer labels move to the discount market, HMX Sportswear will be positioned to drive significant growth in its dedicated brand business.

In the golf apparel category, where the division’s tradition of excellence includes marketing the Jack Nicklaus line, HMX Sportswear has developed programs under the Lyle & Scott, Golden Bear and Palm Beach Golf labels.



Blassport



Austin Reed Shop, Dillards



Lyle & Scott

TED BAKER
LONDON



Austin Reed



Jack Nicklaus



A man in a dark suit and glasses stands in a clothing store, smiling. Behind him are mannequins wearing suits and racks of clothing. The scene is warmly lit, suggesting an indoor retail environment.

CHARTING THE STRATEGY
INTERNATIONAL

“ The Copley Apparel Group strategy is focused on three core brands, three key product categories and Copley’s unique value proposition: *Custom in 7 Days*. The core brand focus strategy has been adopted to concentrate on improving the quality, profitability and market position of the Copley brand of tailored clothing, Keithmoor dress and casual trousers, and Royal dress and sport shirts. Our unique *Custom in 7 Days* service differentiates Copley from all industry peers. Our focus to be the world’s premier, quick-fulfillment custom clothing source is a key growth strategy for us and our specialty store retail customer base. ”

WARWICK O. JONES
Managing Director, Copley Apparel Group



Custom in 7 Days

ROYAL SHIRT

Copley

KEITHMOOR

NARROWING OUR STRATEGIC FOCUS

In 2005, the Copley Apparel Group concentrated its focus on three core brands: Copley, our tailored clothing division; Keithmoor, our dress and casual trouser division; and Royal, our dress and sport shirt division.

By adopting a more focused strategy, Copley created an opportunity to reduce expenses, increase margins and improve product quality and value. As 50% of total shipments go to our U.S. customers, the strengthening Canadian dollar compared to the U.S. dollar has had an unfavorable margin impact. We anticipate off-setting the impact by directing sales growth to higher margin product categories, and further development of operating efficiencies.

Our *Custom in 7 Days* program is a source of differentiation and growth for Copley and our

specialty-store customer base. In 2005, we introduced our “Saturday-to-Saturday” custom order delivery service. Orders received by Saturday midnight will be shipped by 10:00 a.m. the following Saturday.

All 600 retailers who purchase Copley tailored clothing access this unique service, which has enhanced the value of the Copley brand both for our retail clients and their consumers. The 180 special “custom” events we hold per year in our customers’ stores have greatly increased awareness of this program; and, as such, it has become a driving force in the opening of new retail accounts. *Custom in 7 Days* is a key growth strategy for Copley, and we anticipate doubling the program’s volume over the next three years.

Coppley



KEITHMOOR



A photograph of Raymond C. Giuriceo, Vice President and Managing Director of International Marketing, standing in a clothing store. He is wearing a dark suit, a light blue shirt, and a red and white striped tie. He is smiling and looking towards the camera. The background shows shelves and racks of clothing, including jackets and sweaters. The store has a warm, wooden interior.

CHARTING THE STRATEGY

INTERNATIONAL MARKETING

“ International Marketing manages 56 licensing programs in 29 countries that operate in most major world markets. Our primary strategic objective is to leverage this scope by positioning Hartmarx as a global apparel company. We are actively working to forge licensing agreements with leading international apparel companies who can benefit from the marketing, merchandising and manufacturing techniques that have made Hartmarx so successful in the U.S. One way that we initiate and develop successful partnerships is by creating a customized business model for each of our licensed brands that aligns with the market factors in the particular geography under license. In fact, as a result of our attention to regional issues, many of our most popular brands have a major presence outside of the U.S. ”

RAYMOND C. GIURICEO
*Vice President and Managing Director,
International Marketing*



Nicklaus Shop: Seoul, Korea



Nicklaus Shop: Tianjin, China



Bobby Jones Store: Honolulu, Hawaii



Hickey-Freeman Shop: Tokyo, Japan

INTERNATIONAL & DOMESTIC LICENSEES & DISTRIBUTION

DOMESTIC LICENSEES

AUSTRALIA

The Watson Group Australia Pty. Ltd.

CANADA

BHT Group, Inc.
Cardinal Clothes Inc.
Empire Clothing Manufacturing Company, Inc.
Majestic Industries (Canada) Ltd.
No Ordinary Shoes USA LLC
Raymond Lanctôt Ltée
Superba, Inc.
Swank, Inc.
Tura L.P.
Zeon Limited

CHINA

FnC Kolon (Shanghai) Corporation

COLOMBIA

Confecciones Colombia S.A.

INDONESIA

P.T. Transindo Global Fashion
TAS Luggage Centers Co.

DOMESTIC LICENSEES

BHT Group, Inc.
Cardinal Clothes Inc.
Levy Group, Inc.
Luxury Accessories International, LLC

BOBBY JONES DISTRIBUTION

Bahrain
Brazil
Canada
France
Germany
Hong Kong
Ireland

JAPAN

Alps Kawamura Co., Ltd.
Eminente, Inc.
Flex Japan Co., Ltd.
Futata Co., Ltd.
Goto Co., Ltd.
JNJ, Inc.
K-Niche Co., Ltd.
Kosugi Sangyo Company, Ltd.
Lifegear Corporation
Marimo Craft Co.
Matsuzaki & Co., Ltd.
San Marco Co., Ltd.
Swany Corporation
Trenza Limited
Uchino Co., Ltd.
Yamani, Incorporated

KOREA

FnC Kolon Corporation
Jinkyong Co. Ltd.

MALAYSIA

Orientex Marketing (M) SDN. BHD.

Majestic International USA, Inc.
No Ordinary Shoes USA LLC
Seiko Instruments USA, Inc.
Superba, Inc.

Israel
Kuwait
Poland
Portugal
Russia
Saudi Arabia
Spain

MEXICO

Deniro, S.A. de C.V.
Fussli, S.A. de C.V.
Industrias Cavalier S.A. de C.V.

NEW ZEALAND

The Watson Group Australia Pty. Ltd.

PHILIPPINES

Rustan Marketing Corporation

SOUTH AFRICA

RSG Distributors (Pty) Ltd.

TAIWAN

Far Eastern Textile, Ltd.

UNITED KINGDOM

St. Andrews International

WORLDWIDE

PdP Parfums de Paris S.A.
Randall International, LLC
Signature Eyewear, Inc.

Swank, Inc.
The Bobby Jones Golf Co., LLC
Tura L.P.
Zeon Limited

Sweden
Switzerland
Turkey
U.A.E.
Ukraine
United Kingdom

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Chief Executive Officer
Brookstone, Inc.*

Jeffrey A. Cole^{1,2,3}
*President
Cole Limited*

James P. Dollive^{1,3,5}
*Executive Vice President and
Chief Financial Officer
Kraft Foods Inc.*

Raymond F. Farley^{2,3}
*Retired President and
Chief Executive Officer
SC Johnson Wax*

Elbert O. Hand³
*Retired Chairman
Hartmarx Corporation*

Dipak C. Jain^{2,3,5}
*Dean, J.L. Kellogg
School of Management
Northwestern University*

Homi B. Patel⁴
*Chairman, President and
Chief Executive Officer
Hartmarx Corporation*

Michael B. Rohlfs^{1,3}
*President and
Chief Executive Officer
Dearborn Financial, Inc.*

Stuart L. Scott^{2,3,5}
*Retired Chairman
Jones Lang LaSalle Incorporated*

CORPORATE AND SUBSIDIARY OFFICERS

CORPORATE OFFICERS

Homi B. Patel*
*Chairman, President and
Chief Executive Officer*

Glenn R. Morgan*
*Executive Vice President,
Chief Financial Officer
and Treasurer*

Taras R. Proczko*
*Senior Vice President,
General Counsel and Secretary*

Raymond C. Giuriceo
*Vice President
and Managing Director
International Marketing*

Andrew A. Zahr
Vice President and Controller

MEN'S APPAREL GROUP

Richard L. Biegel*
*Group President
HMX Tailored*

Jay Friedman*
*Group President
Hartmarx Sportswear*

Paulette Garafalo*
*Group President and
Chief Operating Officer
Hickey-Freeman*

Steven J. Weiner*
Group President

C. James Murray
*President, Plaid Division
HMX Tailored*

Effie Baker
*President
Consolidated Apparel Group*

WOMEN'S APPAREL GROUP

Susan G. Falk*
Group President Womenswear

Misook Doolittle
*President
Exclusively Misook Apparel*

Thomas L. Hall
*President
International Women's Apparel*

Melvin T. Matsui
*President
Simply Blue Apparel*

Maureen P. Vear
*Vice President and General Manager
Barrie Pace Ltd.*

INTERNATIONAL

Warwick O. Jones
*President and Managing Director
Copley Apparel Group
Canada*

Richard K. Sexton
*Executive Vice President
and Managing Director
Royal Shirt
Canada*

1. Audit and Finance

2. Compensation and Stock Option

3. Executive

4. Management Operations

5. Nominating and Governance

*Member of Executive Operating Board

OPERATING GROUP SELECTED DATA

The Company operates exclusively in the apparel business. Its operations are comprised of the Men's Apparel Group ("MAG") and Women's Apparel Group. MAG designs, manufactures and markets men's tailored clothing, slacks, sportswear (including golfwear) and dress furnishings (shirts and ties). Products are sold at luxury, premium and moderate price points under a broad variety of apparel brands, both owned and under license, to an extensive range of retail channels. The Women's Apparel Group markets women's career apparel, designer knitwear, sportswear, including denim products, and accessories to department and specialty stores under owned and licensed brand names and directly to consumers, offering a wide range of apparel and accessories to business and professional women through its catalogs and its e-commerce website.

The following table is management's unaudited summary of sales, earnings and investment in the major components of Hartmarx Corporation operations for the five years ended November 30, 2005 (in thousands):

	YEARS ENDED NOVEMBER 30,				
	2005	2004	2003	2002	2001
Sales					
Men's apparel group	\$511,040	\$506,673	\$501,710	\$521,072	\$547,365
Women's apparel group	87,127	79,740	60,139	49,228	52,835
Total	\$598,167	\$586,413	\$561,849	\$570,300	\$600,200
Earnings (loss) before taxes					
Men's apparel group	\$ 51,349	\$ 40,992	\$ 29,828	\$ 30,630	\$ 2,615
Women's apparel group	8,881	7,540	4,343	(946)	(3,147)
Corporate expenses, interest, consolidating entries	(21,870)	(22,627)	(19,786)	(28,261)	(29,045)
Total	\$ 38,360	\$ 25,905	\$ 14,385	\$ 1,423	\$(29,577)
Total assets at November 30					
Men's apparel group	\$312,396	\$274,781	\$268,497	\$274,543	\$322,599
Women's apparel group	87,023	66,556	30,224	25,024	29,829
Corporate	95,226	107,204	122,643	137,497	90,712
Total	\$494,645	\$448,541	\$421,364	\$437,064	\$443,140

- Sales are net of any intra-group transactions.
- The "Corporate expenses, interest, consolidating entries" line includes interest on all debt and refinancing expense.
- Corporate assets include corporate properties, deferred income taxes, and other assets not attributable to a specific operating segment.

SELECTED FINANCIAL DATA

INCOME STATEMENT DATA IN THOUSANDS,
EXCEPT PER SHARE DATA, FOR YEARS ENDED NOVEMBER 30,

	2005	2004	2003	2002	2001
Net sales	\$598,167	\$586,413	\$561,849	\$570,300	\$600,200
Licensing and other income	2,118	2,445	1,898	2,723	3,098
Cost of goods sold	395,680	396,272	392,350	405,822	448,693
Selling, general and administrative expenses	159,063	160,207	148,788	150,201	158,034
Restructuring charge	—	—	—	(366)	(11,625)
Settlement proceeds re: termination of systems project	—	—	—	4,500	—
Operating earnings (loss)	45,542	32,379	22,609	21,134	(15,054)
Interest expense	(7,182)	(6,474)	(7,429)	(15,509)	(14,409)
Refinancing expense	—	—	(795)	(4,202)	(114)
Earnings (loss) before taxes	38,360	25,905	14,385	1,423	(29,577)
Tax (provision) benefit	(14,805)	(10,040)	(5,680)	(557)	11,683
Net earnings (loss)	23,555	15,865	8,705	866	(17,894)
Diluted earnings (loss) per share	.63	.44	.25	.03	(.60)
Cash dividends per share	—	—	—	—	—
Average number of common shares and equivalents—diluted	37,212	36,286	34,645	33,163	30,013

BALANCE SHEET DATA IN THOUSANDS,
EXCEPT PER SHARE DATA, AT NOVEMBER 30,

	2005	2004	2003	2002	2001
Cash and cash equivalents	\$ 1,257	\$ 2,356	\$ 2,964	\$ 6,854	\$ 1,555
Accounts receivable	123,058	119,033	117,778	126,221	140,163
Inventories	153,263	130,139	124,010	115,175	150,394
Other current assets	37,775	28,626	19,508	17,912	24,685
Net properties	37,250	27,643	29,323	32,555	35,691
Intangible pension asset	35,963	39,411	42,860	46,308	14,462
Goodwill, intangible and other assets, and deferred taxes	106,079	101,333	84,921	92,039	76,190
Total assets	494,645	448,541	421,364	437,064	443,140
Accounts payable and accrued expenses	99,841	98,307	78,342	83,875	85,709
Total debt	119,513	102,032	104,404	123,364	171,553
Accrued pension liability	29,445	26,416	46,167	51,254	—
Shareholders' equity	245,846	221,786	192,451	178,571	185,878
Equity per share	6.62	6.16	5.49	5.21	6.15

SELECTED QUARTERLY DATA

<i>In thousands, except per share data</i>	1st quarter		2nd quarter	
	2005	2004	2005	2004
Net sales	\$143,822	\$136,613	\$145,742	\$142,383
Gross profit	48,164	40,750	50,577	44,537
Net earnings	4,205	2,160	5,425	2,960
Diluted earnings per share	.11	.06	.15	.08

	3rd quarter		4th quarter	
	2005	2004	2005	2004
Net sales	\$152,134	\$155,783	\$156,469	\$151,634
Gross profit	50,376	47,583	53,370	57,271
Net earnings	6,585	4,990	7,340	5,755
Diluted earnings per share	.18	.14	.20	.16

Hartmarx common shares are traded on the New York and Chicago Stock Exchanges. The stock symbol is HMX. The quarterly composite price ranges of the Company's common stock for the past three fiscal years were:

	2005		2004		2003	
	High	Low	High	Low	High	Low
First quarter	\$ 9.05	\$7.38	\$6.73	\$4.00	\$2.72	\$1.82
Second quarter	10.29	8.11	6.35	5.29	2.68	1.90
Third quarter	10.48	8.34	7.85	5.95	3.56	2.37
Fourth quarter	9.25	6.09	8.82	6.25	4.62	3.39



INVESTOR INFORMATION

HARTMARX WEBSITES

Hartmarx
www.hartmarx.com

Hart Schaffner Marx
www.hartschaffnermarx.com

HMX Tailored
www.hmxtailored.com

Hickey-Freeman
www.hickeyfreeman.com
www.hickeystyle.com

Coppley
www.coppley.com

Sansabelt
www.sansabelt.com

Bobby Jones
www.bobbyjonesshop.com

Exclusively Misook Apparel
www.misook.com

Barrie Pace
www.barriepace.com

International Women's Apparel
www.iwainc.com

Christopher Blue
www.Christopher-blue.com

HARTMARX CORPORATION

101 North Wacker Drive
Chicago, IL 60606
312 372 6300

TRANSFER AGENT AND REGISTRAR

Computershare Trust Company,
N.A.
P.O. Box 43069
Providence, RI 02940-3069
877 282 1168

FORM 10-K

Hartmarx will provide to any investor, without charge, a copy of its annual report on Form 10-K, as filed with the Securities and Exchange Commission (but without exhibits). Requests should be in writing to:

Hartmarx Corporation
Attention:
Mrs. Kay C. Nalbach
Assistant Secretary
101 North Wacker Drive
Chicago, IL 60606

FORWARD-LOOKING STATEMENTS

This 2005 annual report contains forward-looking statements that are made in reliance upon the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are subject to risks and uncertainties including, but not limited to, the demand for the Company's products by the consumer and the overall retail environment. These and other risk factors are identified in cautionary statements included from time to time in the Company's filings with the Securities and Exchange Commission.

ANNUAL CEO CERTIFICATION (SECTION 303A.12(A))

As the Chief Executive Officer of Hartmarx Corporation, and as required by Section 303A.12(a) of the New York Stock Exchange Listed Company Manual, I hereby certify that as of the date hereof I am not aware of any violation by the Company of NYSE's Corporate Governance listing standards, other than has been notified to the Exchange pursuant to Section 303A.12(b) and disclosed as Exhibit H to the Company's Section 303A Annual Written Affirmation.



HOMI B. PATEL
Chairman and Chief Executive Officer
April 29, 2005

“ We salute our stockholders, our employees,
our partners, our suppliers and our customers. Cheers! ”

HARTMARX

