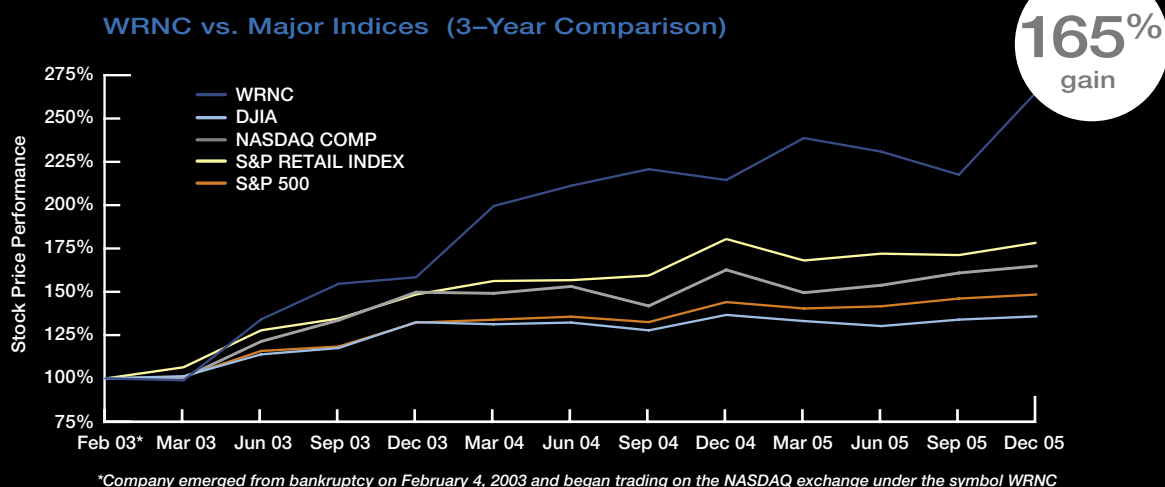




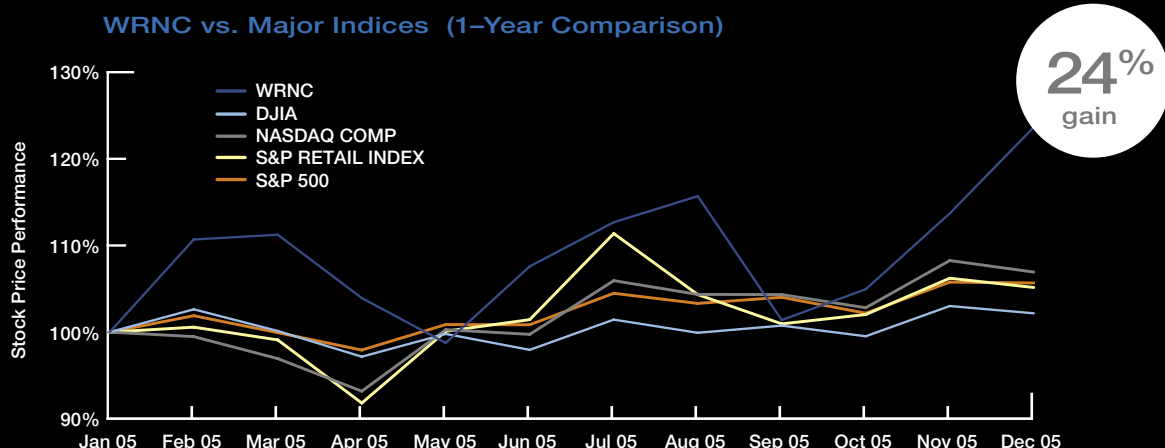
power brands. global reach.



2005 annual report



our growth



financial highlights

	Fiscal 2005	Fiscal 2004	For the One Month Ended February 4, 2003	For Eleven Months Ended January 3, 2004	Combined Fiscal 2003 ^(a)
Results of Operations					
Net Revenues	\$1,504,415	\$1,424,181	\$110,120	\$1,264,301	\$1,374,421
Gross Profit	509,616	472,983	42,837	392,131	434,968
Gross Profit as a percentage of net revenues	33.9%	33.2%	38.9%	31.0%	31.6%
Selling, General and Administrative Expense (SG&A)	406,664	378,502	32,156	319,903	352,059
SG&A as a percentage of net revenues	27.0%	26.6%	29.2%	25.3%	25.6%
Operating Income (Loss)	\$ 101,892	\$ 96,135	\$ (19,124)	\$ 48,138	\$ 29,014

(a) Fiscal 2003 includes the results of the Company for the period January 5, 2003 to February 4, 2003 (prior to the Company's emergence from bankruptcy) combined with the results of the Company for the period February 5, 2003 to January 3, 2004 (after the Company's emergence from bankruptcy).

The Company believes that the combined financial information is useful to investors to meaningfully compare the current year's results with the prior years and provides useful information to investors regarding the Company's results of operations for (1) Fiscal 2005, (2) Fiscal 2004 and (3) Fiscal 2003. The Company believes that this information is also helpful to investors as it allows investors to evaluate the Company's results of operations on the same basis as management.



[DEAR FELLOW SHAREHOLDERS:]

Fiscal 2005 was a year of significant progress for The Warnaco Group.

We capitalized on the strengths of our global brands, reached out to new customers, expanded our share of existing markets, broadened our direct to consumer position, built a world-class sourcing infrastructure and added to our talent base. We increased our net revenues by 5.6%, to \$1.5 billion and increased net income by 22%, to \$52 million.

We ended the year with a solid balance sheet, a portfolio of powerful brands positioned for further growth and—with a significant acquisition that closed in early 2006—a platform to take our Calvin Klein® businesses to the next level in the global marketplace.

Growing Our Brands In 2005, we focused on attracting new customers while continuing to deliver on existing customers' expectations. I'm pleased to report that we were successful, as evidenced by our strengthened position in the marketplace.

We expanded our worldwide Calvin Klein underwear business with well-received new product offerings, including Perfectly Fit, which targets a fuller-figured woman. We also continued to build our direct to consumer business by

opening nearly 50 freestanding Calvin Klein shops, and adding numerous "shop in shops" in specialty and department stores.

We revitalized the Warner's® brand and built momentum by bringing new trend-right merchandise to the marketplace. Retailers and consumers responded favorably, with consistent sell-throughs above the department averages at many of our key accounts.

With the introduction of the Signature Support line, we refocused our Olga® brand on the full figure market, and on mid-tier distribution. At our Lejaby® division, we introduced new designs and extended the brand into new categories and new geographies.

One of our primary strategies has been to grow brands by diversifying their distribution channels, which was best reflected at our Chaps® division. Revenues increased more than 25%, as mid-tier accounts were added while business with many of our existing accounts grew. Chaps also benefited from a series of new product offerings and improvements in design and quality.

At our Swimwear group, Speedo® continued to be the world's dominant swimwear brand and enhanced its reputation as an innovative leader with new offerings and successful



A note from Non-Executive Chairman Charles R. Perrin

In 2005, Warnaco's Board of Directors continued its mission of building shareholder value while at the same time focusing on "best practice" corporate governance. Your Board is comprised of business leaders from diverse backgrounds ranging from consumer products to interactive media, advertising to financial services and, of course, apparel and retail, and it is this diversity that best allows the Board to address and contribute to all aspects of Warnaco's business.

In 2005, the Board met 10 times, and the committees of the Board collectively met 25 times, demonstrating our commitment to the Company and its success. No more was this evident than in the Board's participation in the development of the Company's strategic plan, which led to the successful acquisition of the Calvin Klein jeans and accessories businesses in Europe and Asia - the Company's number one strategic priority identified at those sessions.

marketing. Our designer swimwear brands, including Anne Cole® and Nautica®, also remained at the top of the NPD rankings.

We are looking forward to contributions from our Calvin Klein, Michael Kors® and Op® swimwear products that began shipping at the end of the year. We are moving the Op brand into better department and specialty stores, and we have accelerated our plan to transform it from a pure licensing model to one that is vertically integrated and operated directly in core categories.

Reflecting our commitment to extend our product lines, expand internationally, diversify our distribution channels and build a stronger retail platform, we recently acquired the Calvin Klein jeans and accessories business in Europe and Asia and the CK Calvin Klein "bridge" sportswear and accessories business in Europe. The acquisition complements our core competencies and opens doors to significant new growth opportunities. It will allow us to leverage the existing Calvin Klein underwear international infrastructure with jeanswear, sportswear and accessories in Europe and Asia.

Improving Our Operations In 2005, we focused on increasing our margins as well as our sales. In that context,

we launched company-wide initiatives to support more profitable growth in Fiscal 2006 and beyond. For example, we successfully recruited strong sourcing leadership in New York and Asia and built a global team based in Hong Kong, with professionals dedicated to the socially responsible development of our products in manufacturing centers of excellence around the world.

These supply chain initiatives should help generate higher gross margins by improving our fulfillment rates and reducing costs.

2006 Priorities Looking to the immediate future, we have a clear set of priorities.

We will drive sales and profit growth in each of our operating Groups—Intimate Apparel, Sportswear and Swimwear—with expanded product offerings and innovative marketing across a global platform.

We will take advantage of the momentum created by our Intimate Apparel brands to increase sales and improve margins in new and traditional markets, and we will grow our Sportswear sales by adding new products and categories. In Swimwear, we will introduce an exciting new marketing campaign for Speedo, and we expect to see added revenues from the launches of our new swimwear brands.

As in years past, in 2005 we also continued to build our Board, adding another independent director. Donald Seeley, formerly the CFO of True North Communications and today the director of the Applied Management Program at the University of Arizona, not only brings strong financial skills to our Board and Audit Committee but also the consumer-centric focus that is the bedrock of the advertising world and critical to Warnaco's success and relevance.

In 2006 and beyond, we will continue to focus on building and maintaining "best practice" corporate governance and representing the interests of our fellow shareholders. As always, we welcome communications from you at Board@Warnaco.com.

We are already integrating the acquired Calvin Klein businesses with our existing European and Asian operations to take advantage of synergies and the resulting economies of scale. By combining them all under one roof, we are creating a powerful global brand that will generate revenues in excess of \$900 million and increase our international sales from 28% to approximately 40% in Fiscal 2006. The acquired businesses will make significant contributions, from both wholesale sales and direct to consumer operations.

We are also continuing to develop our international sourcing platform. With more efficient purchasing and limited use of third party agents, we expect to begin realizing significant benefits in 2006.

One World, One Warnaco Warnaco is changing in important ways that may not be obvious to the casual observer. As we grow internationally and continue to diversify our product offerings, we are creating "One World of Warnaco." What was a collection of 19 different autonomous brands a few years ago is now a Company composed of three operating Groups, working together across one corporate platform, with shared services that include finance, sourcing, supply chain management, human resources, marketing, information technology, e-commerce and physical distribution.

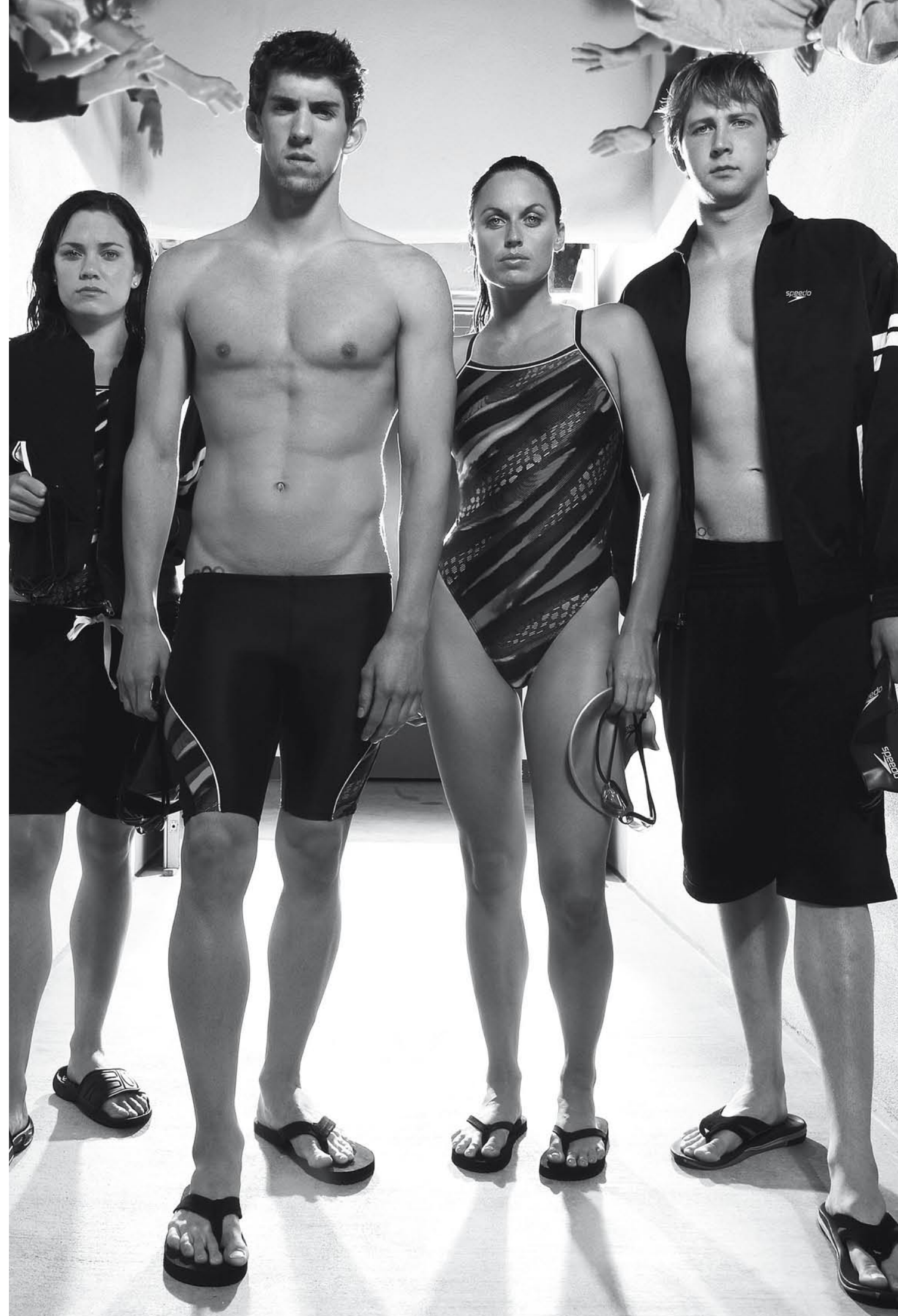
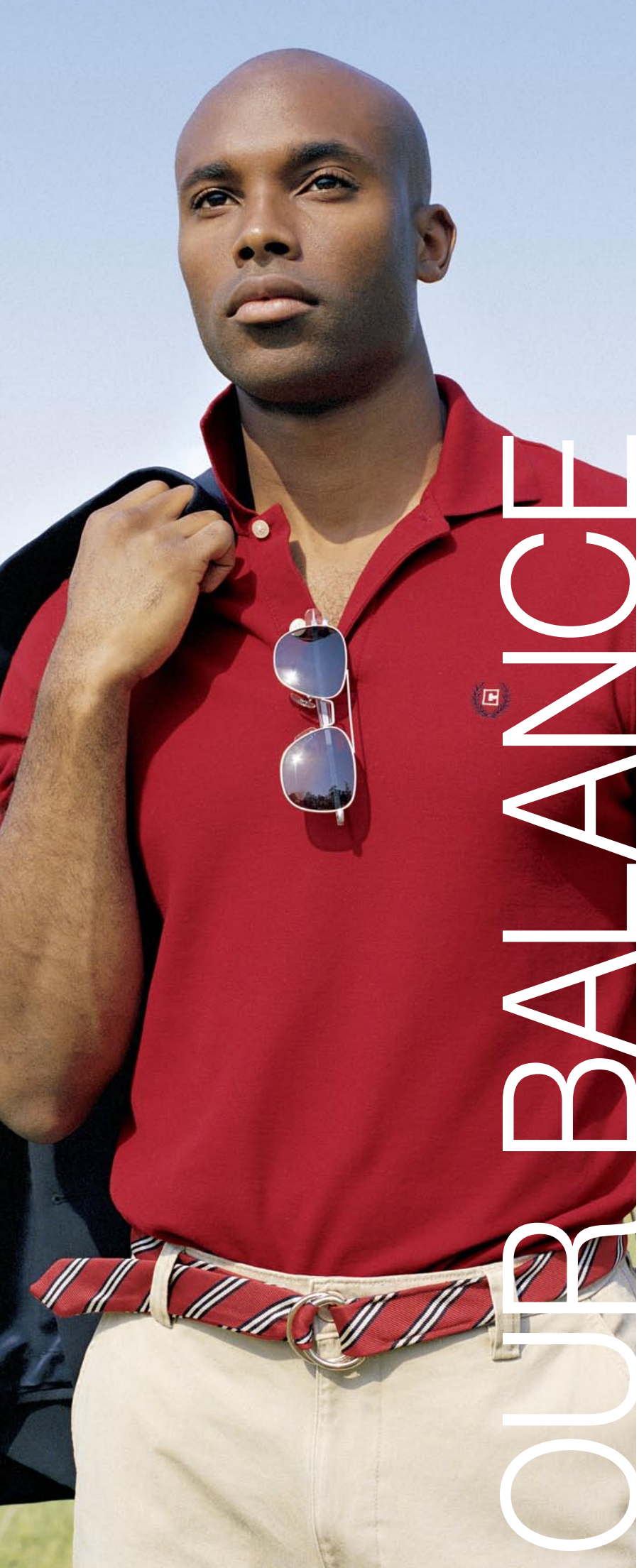
Achieving "One Warnaco" means much more than increasing operational efficiencies. The importance of our people as drivers of our success cannot be underestimated. We are building a global corporate culture that recognizes the contributions of all our associates; a culture that appreciates personal contributions to superior product and performance; and promotes the values of diversity and respect in the workplace.

Warnaco will continue to grow and change. With the support of more than 10,000 Warnaco associates worldwide, an experienced management team, a distinguished Board of Directors, a portfolio of powerful brands, and a clear sense of direction, we are poised to grow our businesses and are excited about our future.

Sincerely,



JOSEPH R. GROMEK
President and Chief Executive Officer

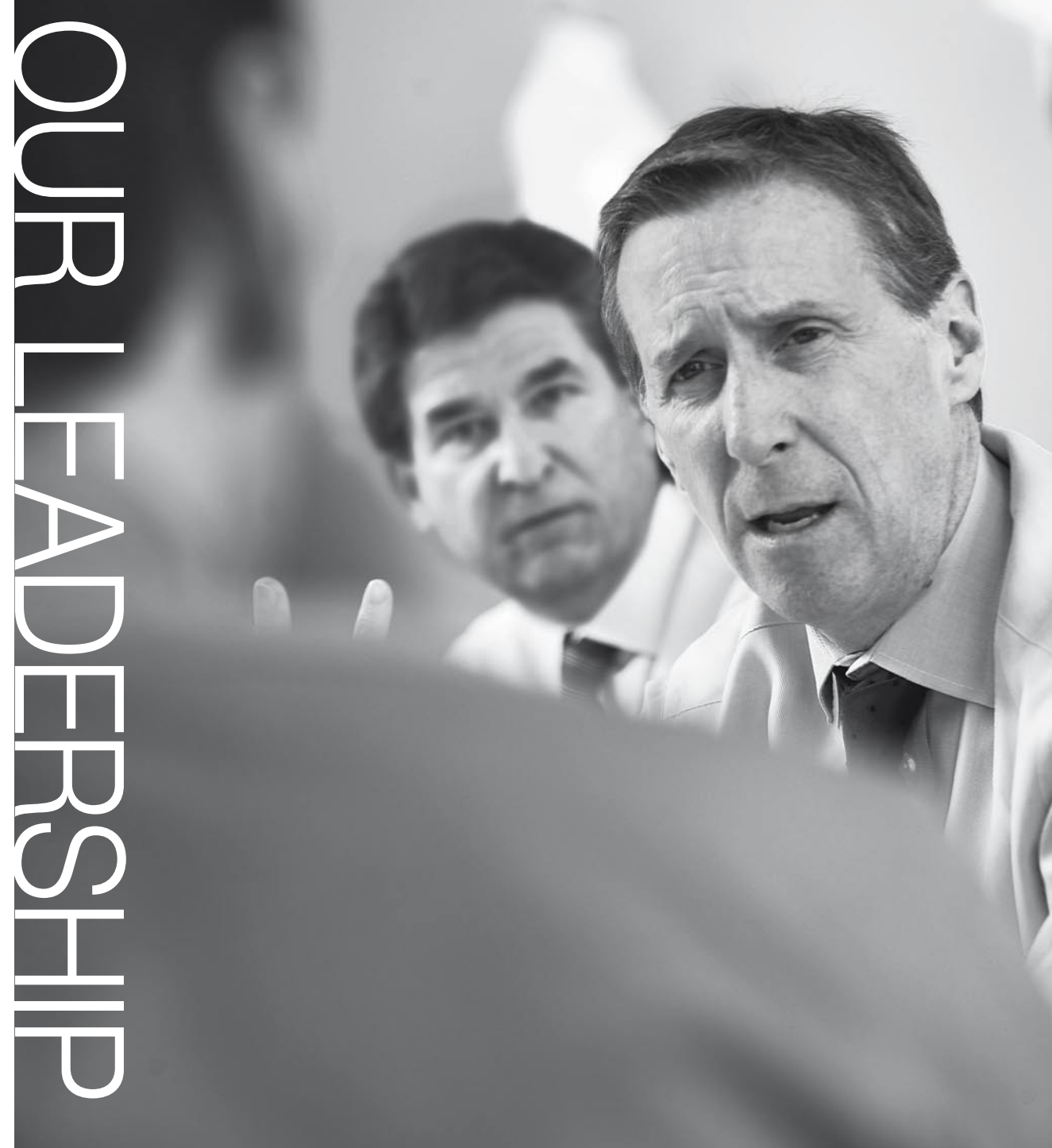




LANE	PLACE	TIME	HOME	GUEST
			HOME	GUEST
			EVENT	HEAT
			RECORD	

our strength

THE AAF... LEAGUE SWIM STADIUM



OUR LEADERSHIP

our potential



With a strong infrastructure, expertise in global sourcing and an expanded direct to consumer platform with potential for further development, we are focused on strategic **growth opportunities** in international markets

28%
of revenues
from international
business

\$1.5
billion in total
revenues for
fiscal 2005

OUR OPPORTUNITY





our presence

**building
our brands**



sportswear



FRANK TWORECKE
President of Sportswear Group

The Sportswear Group successfully executed its strategies for increasing both revenues and profit. The strong results were driven by a continued focus on improving both the aesthetics and quality of the assortments offered by our Chaps Sportswear and Calvin Klein jeans brands. The positive consumer response to the Chaps product at retail and our expanded distribution strategy led to significant market share gains for the brand. Calvin Klein jeans continued its momentum and we are excited about the opportunities presented by the acquisition of the Calvin Klein jeans and related businesses in Europe and Asia.



Calvin Klein Jeans

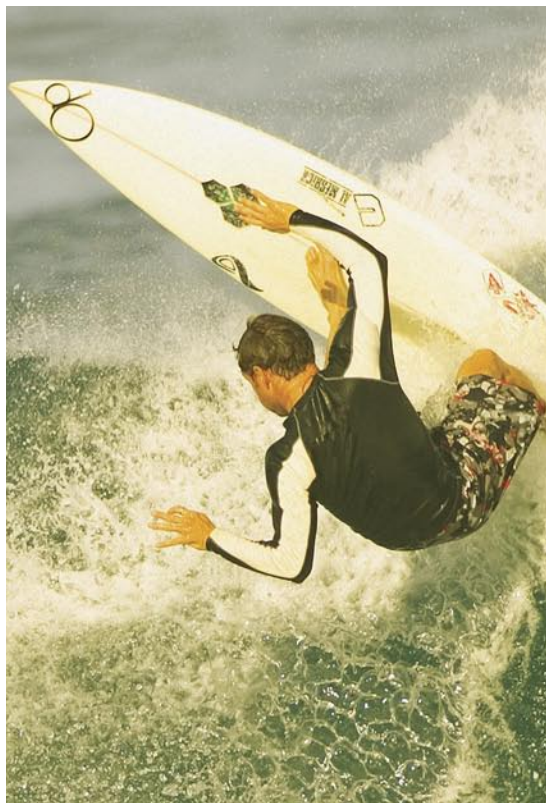


swimwear



ROGER A. WILLIAMS
President of Swimwear Group

The Swimwear Group maintained its leadership position in 2005. Speedo continued its tradition of innovation, by, among other things, taking the Fastskin FSII technology “out of the water” to create FSII Ice, a cutting edge performance product for winter sports including bobsled, luge and skeleton. Also, our designer brands, including Anne Cole and Nautica, remained atop the NPD rankings. This was also a year of investment for the Swimwear Group. We developed products under two new license agreements—Calvin Klein and Michael Kors—and began the reorganization of Ocean Pacific to reposition the brand in better channels of distribution and internalize core apparel categories. In addition, we also made infrastructure investments which we believe will better position the Swimwear Group for long-term growth.



MICHAEL KORS



Calvin Klein
swimwear

cole
of california
SINCE 1925

ANNE COLE
COLLECTION

df
daisy fuentes

intimate apparel



HELEN MCCLUSKEY
President of Intimate Apparel Group

2005 was a year of progress. Calvin Klein Underwear continued its powerful global expansion and successfully launched Perfectly Fit for women and 365 for men, two of its largest and most successful launches in recent history. We improved the operating results in our Core brands and accomplished many of our other strategic objectives. With continued focus on diversifying our distribution, strengthening our product offering and striving for operational excellence, we are optimistic that the group is well positioned for growth and long-term success.

lejaby®

BoDY
NANCY GANZ™

JLO LINGERIE
by JENNIFER LOPEZ

Olga®



warner's®

Calvin Klein
underwear

RASUREL

warnaco

BOARD OF DIRECTORS

Charles R. Perrin^{1,2,3}

*Non-Executive Chairman of the Board
The Warnaco Group, Inc.
Former Chairman and Chief Executive Officer
Avon Products, Inc.
Duracell International*

Joseph R. Gromek
*President and Chief Executive Officer
The Warnaco Group, Inc.*

David A. Bell^{2,3}
*Chairman Emeritus
The Interpublic Group of Companies*

Robert A. Bowman^{1,2}
*President and Chief Executive Officer
Major League Baseball Advanced Media
(MLB.com)*

Richard Karl Goeltz^{1,3}
*Former Vice Chairman and
Chief Financial Officer
American Express Company*

Sheila A. Hopkins^{1,2}
*Vice President
Global Business Development
Colgate-Palmolive Company*

Donald L. Seeley^{1,3}
*Director
Applied Investment Management Program
University of Arizona
Former Vice Chairman and
Chief Financial Officer
True North Communications*

Cheryl Nido Turpin^{2,3}
*Former President
Limited Stores,
a division of Limited Brands, Inc.*

Committees of the Board

1 Audit Committee

2 Compensation Committee

*3 Nominating and Corporate
Governance Committee*

CORPORATE OFFICERS

Joseph R. Gromek
President and Chief Executive Officer

Lawrence R. Rutkowski
*Executive Vice President
Chief Financial Officer*

Helen McCluskey
President—Intimate Apparel Group

Frank Tworecke
President—Sportswear Group

Roger A. Williams
President—Swimwear Group

Dwight Meyer
President—Global Sourcing

Stanley P. Silverstein
*Executive Vice President—
International Strategy and
Business Development*

Jay A. Galluzzo
*Senior Vice President,
General Counsel and Secretary*

Elizabeth Wood
*Senior Vice President,
Human Resources*

SHAREHOLDER INFORMATION

Corporate Office

The Warnaco Group, Inc.
501 Seventh Avenue
New York, NY 10018
Telephone: (212) 287-8000

Annual Meeting

The annual meeting of shareholders will be held on Thursday, May 18, 2006, at 10:00 am EDT:

The Warnaco Group, Inc.
501 Seventh Avenue
New York, NY 10018

Registrar & Transfer Agent

Wells Fargo Corporate Trust
Sixth & Marquette
Minneapolis, MN 55479
Telephone: (800) 468-9716

Annual and 10-K Reports

A copy of the Company's annual report to the Securities and Exchange Commission on Form 10-K is available to shareholders without charge. Your written request should be directed to:

Investor Relations
The Warnaco Group, Inc.
501 Seventh Avenue
New York, NY 10018
InvestorRelations@Warnaco.com

Stock Data

The common stock of The Warnaco Group, Inc. is traded on the NASDAQ stock exchange under the trading symbol WRNC.

Independent Registered Public Accounting Firm

Deloitte & Touche LLP
Two World Financial Center
New York, NY 10281



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