



## THE MARKET

Denim wear has evolved drastically in past years from its origin as basic work attire to a highly fashionable and profitable business that is now a \$10 billion industry in the United States. From high-end haute couture designers to mass-market retailers, everyone in the fashion industry wants a piece of this lucrative business. In the prevailing denim war, GUESS? has come out on top with innovative designs, original washes, and stylish trends.

## ACHIEVEMENTS

GUESS? has grown from a small California jeans company in 1981 into GUESS?, Inc., a global lifestyle brand. While jeans form the foundation of the company's history and success, GUESS? designs, markets, and distributes full collections of women's, men's, and children's apparel, as well as accessories. GUESS? became a public company in August 1996, and three of the Marciano brothers still head up the company. GUESS? has successfully granted licenses for the manufacture and distribution of many of its product categories. Additionally, GUESS? has licensees and distributors worldwide.

The GUESS? retail environment encompasses freestanding stores and in-store shops in some of the world's most prestigious malls and department stores. The GUESS? wholesale business is represented in approximately 1,900 department store



education, assisting the homeless, and preserving and protecting the environment. The GUESS? Foundation has supported cancer and AIDS research and treatment, disaster relief, and many other causes. GUESS? Community Outreach donates time, money, food, and GUESS? merchandise to help organizations that reach the needy in many communities.

Paul Marciano is a true visionary who has shaped the direction and look of GUESS? advertising from its inception. Recognized by its industry peers, GUESS? advertising has won every prestigious design award including the coveted CLIO Award, the Belding Award, the One Show, the London National Advertising Award, the P.I.A. Award, the Mobius Award, and the Benny Award, among many others. The Metropolitan Museum of Art selected the GUESS? Press Book and Nashville catalogue for the museum's Permanent Library Collection.

## HISTORY

In the early 1980s, fashion jeans had little direction. People felt denim was dated, and jeans were not considered a fashion statement. Combining a love of the American West with a European sensibility, the Marciano brothers, creators of GUESS? Inc., would change that perception forever. Raised in Marseilles, France — a region that cultivated a passionate understanding of French design and the essence of style — the Marcianos' designs were timeless, sensuous, strong, and chic. The GUESS? approach was fresh and set the standard for the future of denim.

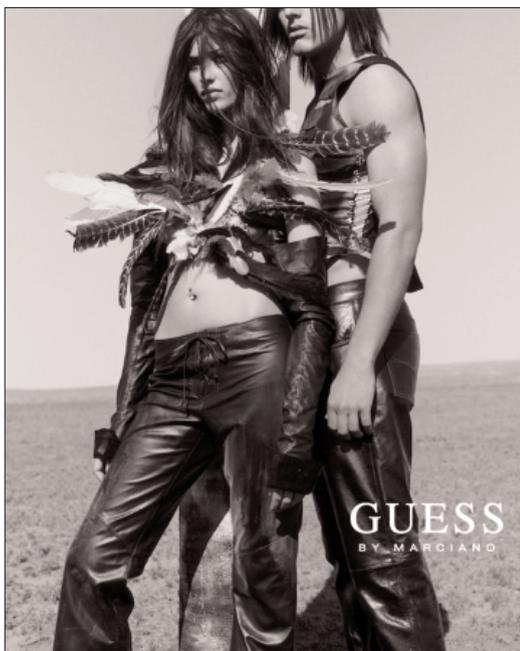
Initially, retailers greeted GUESS? with skepticism. Buyers weren't interested in denim, but the brothers' infallible instincts and persistence prevailed. Their three-zip stone-washed Marilyn jean was sexy, with a unique style and attitude. Bloomingdale's finally agreed to sell two dozen pairs of the three-zip Marilyn jean as a favor to the Marciano brothers. The entire stock sold out within hours, and the rest of the GUESS? history reflects an exciting synergy of product and image.

GUESS? quickly infiltrated popular culture and became a late-twentieth-century icon. GUESS? created groundbreaking advertising campaigns featuring sultry models previously unknown in the industry and turned them overnight into superstars. Models such as Claudia Schiffer, Carré Otis, Laetitia Casta, Eva Herzigova, and Naomi Campbell launched their careers in the original

and specialty store locations. Approximately 1,135 in-store GUESS? shops are available to young men and women throughout the United States. Domestically, GUESS? has approximately 200 retail stores, including outlet stores and GUESS? Kids stores.

Through licensee and distributor arrangements and its store network, the company has attained a worldwide presence with over 400 stores in 42 countries now featuring the GUESS? brand. GUESS? derives its net revenue from the sale of GUESS? men's and women's apparel and licensed products through its network of retail and factory outlets primarily in the United States and Canada; their on-line store, [www.guess.com](http://www.guess.com); worldwide sale to wholesale customers and distributors; and net royalties from worldwide licensing activities.

Reaching out to the community is an essential aspect of the GUESS? mission. The GUESS? Foundation was established in 1994 as an extension of the company's view of the need for philanthropy and its sense of corporate responsibility. The scope of the nonprofit organizations it supports grows each year. The foundation devotes careful attention to requests for financial assistance and is a benefactor to organizations that work in many areas, including improving public

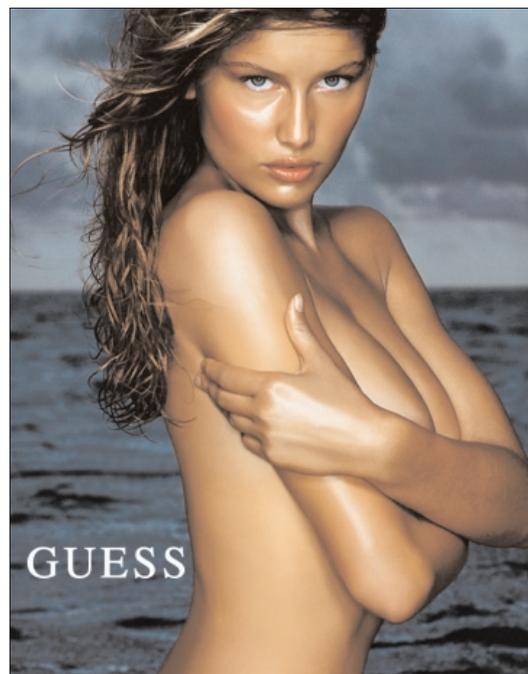


GUESS? campaigns. Directed by the keen eye of Paul Marciano and shot by then unfamiliar photographers such as Wayne Maser, Ellen Von Unwerth, Neil Kirk, and Raphael Mazzucco, the GUESS? brand was brought to life from the deserts of the American West, to the beaches of Rio and in the streets of Paris.

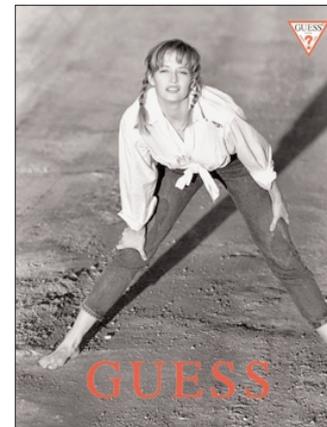
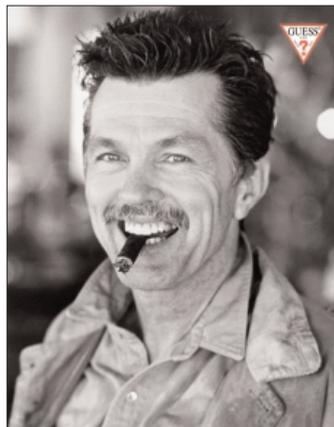
With striking images and fresh new product, the brand began gaining momentum and nationwide recognition. In the 1980s, GUESS? product expanded beyond jeans to include Baby GUESS?, GUESS? Watches, GUESS? Footwear, GUESS? Eyewear and GUESS? Parfum. In the 1990s, rapid international expansion brought the GUESS? American tradition to Europe, Asia, South America, Africa, Australia, and the Middle East. The second decade of GUESS? also brought the introduction of GUESS? Collection, GUESS? Handbags, Activewear, Jewelry, Swimwear, Golf, Home, Innerwear, Leather, Athletic, Belts, Neckwear, and Men's Classics. In the mid-'90s, GUESS? became a public company and launched its first Web site, [www.guess.com](http://www.guess.com). Prior to the new millennium, [www.guess.com](http://www.guess.com) became an E-commerce site, and the GUESS? family continued to grow in 2000 with the launch of [GUESSKids.com](http://GUESSKids.com) and [babyGUESS.com](http://babyGUESS.com).

#### THE PRODUCT

GUESS?' spirited philosophy is conveyed through its design sensibility. GUESS? style celebrates the human form, demonstrated not only by the truly spectacular faces who grace GUESS? signature photos, but more importantly by the very real customers who are the true inspiration. With a touch of international flair, the all-American style of GUESS? has always been original. GUESS? fashions feature great attention to detail and a European passion for cut and



fit. Quality and attitude set GUESS? apart, running the gamut from casual hip to downtown chic. The look of GUESS? is classic yet stylish and modern in every sense. The GUESS? customer has developed his or her own personal fashion identity, finding a balance between the fantasy of fashion and the reality of life. Known for quality, trend setting, and marketing creativity, the company designs and markets a leading lifestyle



collection of casual apparel and accessories for men, women, children, and babies. GUESS? licensed products now include footwear, eyewear, belts, jewelry, leather, swimwear, watches, and handbags.

#### RECENT DEVELOPMENTS

Two decades after the birth of the first GUESS? jean, the Marciano brothers — Maurice, Paul, and Armand — continue to guide the company. Co-Chairman and Co-Chief Executive Officer Maurice Marciano has overseen the company's design direction and led its unwavering and extraordinary expansion since 1982. Co-Chairman and Co-Chief Executive Officer Paul Marciano is credited with the vision behind the GUESS? image and is responsible for creating some of the most innovative images in advertising; he also oversees licensing, e-commerce, and the retail business. Senior Executive Vice President Armand Marciano directs processing, factory stores, and customer relations for GUESS?.

Moving into the 21st century, GUESS? continues to challenge its already high standards to remain a driving force in the world of fashion. With revenues of \$678 million in 2001, GUESS? sells clothing and accessories to enhance the casual lifestyle of people with a flair for individualism. In the fall of 2000, GUESS?, Inc., introduced G Brand, a complete line of superior men's and women's jeanswear. Using the highest quality ring-spun denim imported from Italy and European designs, this line stands alone in a saturated industry. G Brand can be purchased in select GUESS? retail stores or at [www.guess.com](http://www.guess.com).

#### PROMOTION

The image of the GUESS? model has become a pop culture icon in fashion advertising. Accessible yet mysterious, the GUESS? Girl is portrayed as confident, spirited, and sensuous. The captivating images enable the viewer to act as voyeur, glimpsing what is simultaneously public and private. The GUESS? image is defined by its simplicity, proving that great design and creativity need not be overly complex. GUESS? images have been showcased in international print campaigns in virtually all major magazines, on television, billboards, bus shelters, and telephone kiosks throughout the world.



#### BRAND VALUES

GUESS?, Inc., is one of the most recognized and influential brand names in the fashion world today. The label stands for quality and an innovative, distinctive product design that consistently satisfies its customers. For two decades, GUESS? has been on the cutting edge of fashion and style with industry-leading designs and unparalleled creativity in its advertising and marketing. GUESS? incorporates a timeless quality into every product it creates for men, women, and children, as well as home. As it expands to fulfill every aspect of its customers' lifestyles, the company remains true to its original inspiration.

#### THINGS YOU DIDN'T KNOW ABOUT GUESS?...

- The numbers inside the triangle logo represent the suite numbers of the first GUESS? offices.
- The name GUESS? was inspired by a billboard spotted by Georges Marciano that read, "Guess what's in a Big Mac?"
- Approximately 30 people are involved in producing one pair of GUESS? jeans.
- GUESS? advertising campaigns have jumpstarted 85 percent of their models to become household names.
- The Metropolitan Museum of Art features GUESS? advertisements as part of its permanent library collection.
- Juliette Lewis, Drew Barrymore, Mila Kunis, and Tom Skerritt were all GUESS? models.