



THE MARKET

The men's underwear and women's intimate apparel categories are multibillion-dollar retail businesses. Status designers, mainstream brands, and store labels all compete for a share of this lucrative business. The demand for comfortable, high-quality fashionable undergarments continues to grow each year. In recent years, "unmentionables" have generated widespread interest from the fashion and mainstream press. Underwear has evolved from basic white product, still the number-one seller, to a category featuring the latest in fabrics and styling innovation.

ACHIEVEMENTS

The Jockey brand is a remarkable success story. In its history, the company has not just influenced the underwear market but actually created parts of it and shaped other parts as well. The entire underwear industry literally changed its underwear to keep up with revolutionary Jockey inventions, including the brief, the bikini brief, the torso mannequin, transparent underwear packaging, and the underwear fashion show.

Unlike many other firms in the apparel industry, Jockey has not gone public, merged with other firms, or diversified into unrelated areas.

Today, Jockey is the number-one-selling brand of men's underwear and women's panties in department stores in the United States. The brand has over 95 percent consumer awareness and is one of the top apparel brands in the United States. Internationally the brand is sold in over 120 countries.

HISTORY

In 1876, Samuel T. Cooper's dedication to serving and helping others gave birth to the company now internationally recognized as Jockey International. Cooper, a retired minister with no textile experience whatsoever, was concerned about lumberjacks in the American Midwest whom he had learned were suffering from blisters and infections caused by their poor quality hosiery. Their socks, crudely shaped and made mostly from shoddy wool, wore prematurely and erratically.

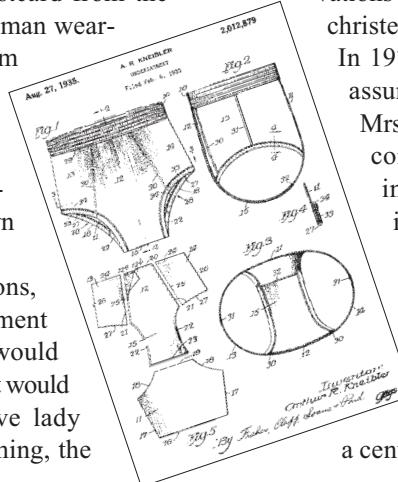
When Cooper could not buy better socks for the lumberjacks anywhere in the region, he turned



a livery stable into a tiny sock factory, S. T. Cooper and Sons. While others were primarily in business to make money, Samuel Thrall Cooper and his sons were in business to serve others first, which would in turn earn them the right to make a profit.

For the Jockey brand, it all started in 1934, when a senior vice president at Coopers, Arthur Kneibler, happened to see a postcard from the French Riviera which showed a man wearing a swimsuit that ran just from the waist to the upper thigh. He was immediately inspired with an idea for a men's undergarment that would provide the same support as an athletic supporter, known colloquially as a "jock strap."

In subsequent strategy sessions, it was decided that the new garment would need a clever name that would somehow connote this function, yet would be discrete enough for sensitive lady shoppers. After much brainstorming, the



only name that appeared on everyone's list was JOCKEY, and the more they thought about it, the more they liked it. The JOCKEY brief was born.

The brief's public debut was as unusual as the garment itself. On January 19, 1935, Chicago's Marshall Field & Co. set up a department store window display to introduce the strange new JOCKEY underwear. But when the city was hit with one of the worst blizzards of the year, the store's management was afraid that the brief would be an absurd contrast to the biting winds, freezing temperatures, and drifting snow. It was decided that the window display would be pulled and the promotion canceled. However, the display men were delayed, and the window remained as it was. The entire stock of JOCKEY briefs was sold out before noon, in the midst of the snowstorm, economic hardships of the year notwithstanding.

That same year, Kneibler refined his invention further by developing the Y-FRONT opening, so named for the design of fabric panels, which offered consumers a buttonless fly.

In 1959, the company created a briefer brief that was to cause almost as much of a sensation as the original Jockey brief did in 1935 — bikini underwear, marketed under the trademark SKANTS. Although profitable in 1959, consumer demand for SKANTS bikinis exploded in the 1970s.

The company became so famous internationally for the Jockey brand and its attendant innovations that in 1972 the company was christened Jockey International, Inc. In 1978, Donna Wolf Steigerwaldt assumed the chairmanship. Under Mrs. Steigerwaldt's leadership, the company made a bold venture into a new frontier: women's intimate apparel. Perhaps the most lucrative move since the creation of the brief, the company developed a ladies' counterpart to what had been known only as a men's brand for nearly half a century. The company introduced



JOCKEY FOR HER panties and tops in 1982, meeting with immediate success; sales surpassed even the most optimistic expectations.

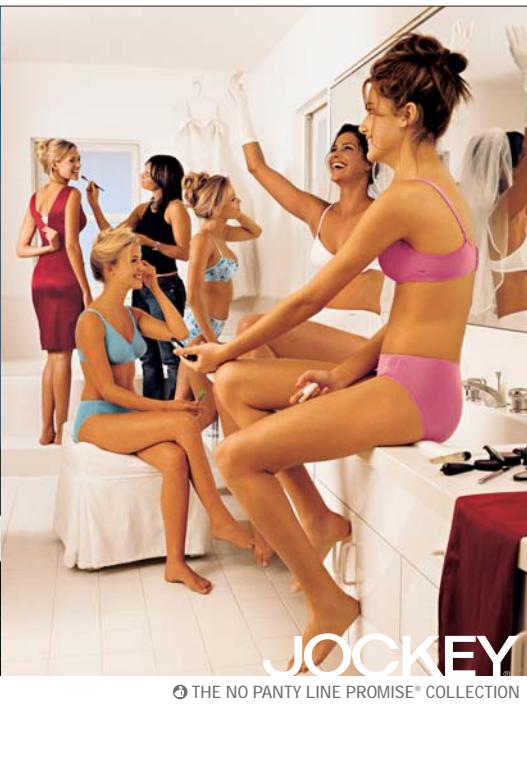


THE PRODUCT

Jockey products are designed with a commitment to comfort, fashion, quality, and innovation. Jockey markets and distributes underwear and underwear-related products through department stores, chains, and specialty stores.

Jockey markets underwear for men, women, boys, and girls. For men, Jockey produces a full range of classic cotton underwear and fashion underwear in a variety of styles and fabrics. For women, Jockey makes panties in a variety of styles, patterns, and fabrics including cotton and microfiber.

Jockey has entered a number of underwear-related categories through licensing agreements, including activewear, thermalwear, sleepwear,



hosiery, socks, and clothing for infants and toddlers.

RECENT DEVELOPMENTS

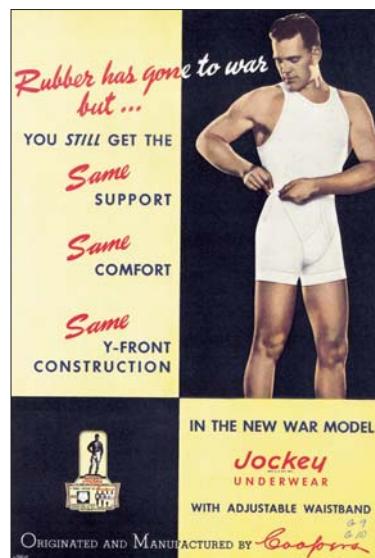
Jockey has continued to lead the market, offering innovative products to meet consumers' needs. In 1999, by popular demand, Jockey introduced its first constructed-bra line, delivering the same comfort, quality, and fashion that made Jockey panties a huge success. In September 2000, www.jockey.com was launched to provide consumers with the opportunity to shop 24/7 for Jockey underwear. The following year, the company revolutionized the industry once again, with its Jockey No Panty Line Promise collection.

A breakthrough in underwear technology, the product was the right thing at just the right time. The No Panty Line Promise collection prevents panty lines just as fashions are becoming more form-fitting — and more prone to the panty-line problem.

PROMOTION

Jockey has always been an innovator in underwear advertising. Jockey advertising has always reflected the values of comfort, performance, fun, and quality. In a

revolutionary move for its time, Jockey commissioned the *Saturday Evening Post*'s legendary artist J. C. Leyendecker to produce a series of color illustrations of underwear, which would be used in the company's advertising program. The first ad appeared in the *Saturday Evening Post* in 1911.



BRAND VALUES

To millions in the United States, Jockey stands for comfort, quality, and value. Jockey's leadership in basic and fashion underwear has firmly established it as the classic American underwear brand.

The Jockey brand enjoys an international reputation for providing comfortable and high-quality undergarments. The Jockey brand positioning is comfort. Jockey brand products provide both physical comfort through a great-fitting product and emotional comfort through a relaxed and enjoyable wearing experience. The core values of the brand include youthfulness, fun, quality, value, confidence, and innovation.

THINGS YOU DIDN'T KNOW ABOUT JOCKEY

- Jockey created the world's first brief. Jockey developed this new-fangled underwear in 1934 with the assistance of a urologist to provide men with "masculine support."
- Jockey was the first to sell underwear in cellophane. Prior to 1937, underwear was sold in boxes like shoes for fear that seeing underwear in public would offend people.
- Jockey was at war with Hitler before the rest of the world. Jockey launched the world's first underwear fashion show featuring a "cellophane wedding" in 1937 (see photo). But after Hitler saw it in *Life* magazine, he denounced it in speeches as "immoral."
- Jockey designed underwear for the moon. In 1963, Jockey created special long underwear for the space program, complete with elastic straps to keep sleeves down in zero gravity.