

GUESS?, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	January 30, 2016	January 31, 2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 445,480	\$ 483,483
Accounts receivable, net	222,359	216,205
Inventories	311,704	319,078
Other current assets	56,709	73,533
Total current assets	1,036,252	1,092,299
Property and equipment, net	255,344	259,524
Goodwill	33,412	34,133
Other intangible assets, net	7,269	9,745
Deferred tax assets	83,613	87,807
Other assets	122,858	117,897
	<u>\$ 1,538,748</u>	<u>\$ 1,601,405</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of capital lease obligations	\$ 4,024	\$ 1,548
Accounts payable	177,505	159,924
Accrued expenses	145,530	140,494
Total current liabilities	327,059	301,966
Long-term debt and capital lease obligations	2,318	6,165
Deferred rent and lease incentives	76,968	81,761
Other long-term liabilities	95,858	117,630
	502,203	507,522
Redeemable noncontrolling interests	5,252	4,437
Commitments and contingencies (Note 14)		
Stockholders' equity:		
Preferred stock, \$.01 par value. Authorized 10,000,000 shares; no shares issued and outstanding	—	—
Common stock, \$.01 par value. Authorized 150,000,000 shares; issued 140,028,937 and 139,559,000 shares, outstanding 83,833,937 and 85,323,154 shares, as of January 30, 2016 and January 31, 2015, respectively	838	853
Paid-in capital	468,574	453,546
Retained earnings	1,269,775	1,265,524
Accumulated other comprehensive loss	(158,054)	(127,065)
Treasury stock, 56,195,000 and 54,235,846 shares as of January 30, 2016 and January 31, 2015, respectively	(562,658)	(519,002)
Guess?, Inc. stockholders' equity	1,018,475	1,073,856
Nonredeemable noncontrolling interests	12,818	15,590
Total stockholders' equity	1,031,293	1,089,446
	<u>\$ 1,538,748</u>	<u>\$ 1,601,405</u>

See accompanying notes to consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share data)

	Year Ended Jan 30, 2016	Year Ended Jan 31, 2015	Year Ended Feb 1, 2014
Product sales.....	\$ 2,100,454	\$ 2,306,534	\$ 2,451,580
Net royalties.....	103,857	111,139	118,206
Net revenue.....	2,204,311	2,417,673	2,569,786
Cost of product sales	1,416,881	1,549,788	1,593,652
Gross profit.....	787,430	867,885	976,134
Selling, general and administrative expenses.....	666,080	741,973	741,105
Restructuring charges	—	—	12,442
Earnings from operations	121,350	125,912	222,587
Other income (expense):			
Interest expense.....	(1,953)	(2,370)	(1,923)
Interest income	1,045	1,438	2,015
Other income, net.....	6,837	18,028	10,280
	5,929	17,096	10,372
Earnings before income tax expense	127,279	143,008	232,959
Income tax expense	42,464	45,824	75,248
Net earnings.....	84,815	97,184	157,711
Net earnings attributable to noncontrolling interests.....	2,964	2,614	4,277
Net earnings attributable to Guess?, Inc.....	<u>\$ 81,851</u>	<u>\$ 94,570</u>	<u>\$ 153,434</u>
Net earnings per common share attributable to common stockholders (Note 18):			
Basic.....	\$ 0.97	\$ 1.11	\$ 1.81
Diluted.....	\$ 0.96	\$ 1.11	\$ 1.80
Weighted average common shares outstanding attributable to common stockholders (Note 18):			
Basic.....	84,264	84,604	84,271
Diluted.....	84,525	84,837	84,522
Dividends declared per common share.....	\$ 0.90	\$ 0.90	\$ 0.80

See accompanying notes to consolidated financial statements.

GUESS?, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended Jan 30, 2016	Year Ended Jan 31, 2015	Year Ended Feb 1, 2014
Cash flows from operating activities:			
Net earnings	\$ 84,815	\$ 97,184	\$ 157,711
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization of property and equipment....	68,588	82,066	85,817
Amortization of intangible assets	2,096	2,994	2,552
Share-based compensation expense	18,880	15,342	13,949
Unrealized forward contract gains	(1,937)	(7,949)	(562)
Deferred income taxes.....	723	(7,976)	(17,804)
Net (gain) loss on disposition of long-term assets and property and equipment.....	(4,255)	23,690	16,337
Other items, net	3,442	(4,447)	(2,321)
Changes in operating assets and liabilities:			
Accounts receivable	(5,970)	31,113	38,005
Inventories	(2,179)	2,264	17,162
Prepaid expenses and other assets	(306)	(8,945)	35,368
Accounts payable and accrued expenses	33,510	(54,847)	(22,653)
Deferred rent and lease incentives	(3,384)	(5,683)	(3,616)
Other long-term liabilities	(14,594)	(10,980)	7,997
Net cash provided by operating activities	179,429	153,826	327,942
Cash flows from investing activities:			
Purchases of property and equipment	(83,844)	(71,498)	(75,438)
Changes in other assets	2,415	5,298	5,761
Proceeds from maturity and sale of investments	—	5,598	6,826
Acquisition of businesses, net of cash acquired.....	(1,330)	(887)	(1,648)
Net cash settlement of forward contracts	9,014	3,658	1,423
Net cash used in investing activities	(73,745)	(57,831)	(63,076)
Cash flows from financing activities:			
Payment of debt issuance costs	(1,072)	—	—
Proceeds from borrowings	948	1,707	3,103
Repayment of capital lease obligations and borrowings.....	(1,518)	(4,561)	(1,474)
Dividends paid	(76,860)	(77,005)	(68,218)
Noncontrolling interest capital contributions.....	871	—	1,199
Noncontrolling interest capital distributions.....	(4,075)	(355)	(1,877)
Issuance of common stock, net of tax withholdings on vesting of stock awards.....	(2,220)	87	3,861
Excess tax benefits from share-based compensation	239	440	698
Purchase of treasury stock.....	(44,053)	—	(22,099)
Net cash used in financing activities	(127,740)	(79,687)	(84,807)
Effect of exchange rates on cash and cash equivalents	(15,947)	(35,770)	(6,135)
Net change in cash and cash equivalents.....	(38,003)	(19,462)	173,924
Cash and cash equivalents at the beginning of the year	483,483	502,945	329,021
Cash and cash equivalents at the end of the year	<u>\$ 445,480</u>	<u>\$ 483,483</u>	<u>\$ 502,945</u>
Supplemental cash flow data:			
Interest paid	\$ 868	\$ 1,556	\$ 1,460
Income taxes paid.....	\$ 31,188	\$ 78,122	\$ 112,996

See accompanying notes to consolidated financial statements.