
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): November 24, 2015

GUESS?, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

1-11893

(Commission File Number)

95-3679695

(IRS Employer Identification No.)

1444 S. Alameda Street, Los Angeles, California 90021

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(213) 765-3100**

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02. Results of Operations and Financial Condition.

Guess?, Inc. (the "Company") issued a press release on November 24, 2015 announcing its financial results for the quarter ended October 31, 2015. A copy of the press release is being furnished as Exhibit 99.1 attached hereto.

The information in this Item 2.02 of Form 8-K is being furnished hereby and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act"), or otherwise subject to the liabilities of such section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press Release of Guess?, Inc. dated November 24, 2015 (financial results for the quarter ended October 31, 2015)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Guess?, Inc. has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 24, 2015

GUESS?, INC.

By: /s/ Sandeep Reddy
Sandeep Reddy
Chief Financial Officer

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|---------------------------|--|
| 99.1 | Press Release of Guess?, Inc. dated November 24, 2015 (financial results for the quarter ended October 31, 2015) |

GUESS?, INC. REPORTS THIRD QUARTER RESULTS

Q3 Fiscal 2016 EPS of \$0.15, Compared to EPS of \$0.24 in Q3 Fiscal 2015

Q3 Fiscal 2016 Revenues Decreased 12% to \$521 Million; Decreased 4% in Constant Currency

Provides Q4 Fiscal 2016 EPS Guidance in the Range of \$0.53 to \$0.62

Updates Full Year EPS Guidance to a Range of \$0.93 to \$1.02

LOS ANGELES, November 24, 2015 - Guess?, Inc. (NYSE: GES) today reported financial results for its third quarter ended October 31, 2015.

Third Quarter Fiscal 2016 Highlights

- **Americas Retail revenues decreased 7% in U.S. dollars and 3% in constant currency; retail comp sales including e-commerce decreased 6% in U.S. dollars and 2% in constant currency**
- **Europe revenues decreased 15% in U.S. dollars and 2% in constant currency**
- **Asia revenues decreased 17% in U.S. dollars and 9% in constant currency**
- **Americas Wholesale revenues decreased 12% in U.S. dollars and 3% in constant currency**
- **Operating earnings decreased 16%**
- **Earnings per share decreased 38%, including the negative impact of currency of 55%**
- **Announces quarterly cash dividend of \$0.225**
- **Invested \$44.0 million to repurchase 2.0 million of our common shares**

Third Quarter Fiscal 2016 Results

For the third quarter of fiscal 2016, the Company recorded net earnings of \$12.4 million, a 40.1% decrease compared to \$20.8 million for the third quarter of fiscal 2015. Diluted earnings per share decreased 37.5% to \$0.15, compared to \$0.24 for the prior-year quarter. The negative impact of currency on earnings per share in the third quarter of fiscal 2016 was approximately 13 cents.

Victor Herrero, Chief Executive Officer, commented, “I am pleased to report that third quarter results were better than our expectations. Our European retail business was especially strong with a double digit comp sales increase for the quarter for the first time in five years.”

Mr. Herrero continued, “I am very pleased with the progress we have made on the first three initiatives I identified on our last earnings call. On our first initiative, elevating the quality of our sales and merchandising organization, we have started building product knowledge, improving our digital marketing and social media capabilities, enhancing visual merchandising to emphasize best sellers and breadth of product and ensuring that pricing of our line delivers a consistent message. On our second initiative, to build our Asia business, we have made some critical hires and are deploying incremental capital to fuel the growth of the markets in this region. Most critically, on the third initiative, to reinforce a culture of purpose and accountability, I am laser focused on driving the organization to raise the level of execution as this will be a critical enabler of successful achievement of our strategies.”

Total net revenue for the third quarter of fiscal 2016 decreased 11.7% to \$521.0 million, from \$589.8 million in the prior-year quarter. In constant currency, total net revenue decreased 3.9%. Refer to the accompanying tables for a summary of net revenue by segment as well as information regarding the impact of foreign currency exchange rate fluctuations on the Company’s net revenue.

Operating earnings for the third quarter of fiscal 2016 decreased 16.2% to \$20.8 million (including a \$2.5 million unfavorable currency translation impact), from \$24.9 million in the prior-year period. Operating margin in the third quarter decreased 20 basis points to 4.0%, compared to 4.2% in the prior-year quarter, due primarily to the negative impact from currency exchange rate fluctuations, partially offset by lower store impairment charges. The negative impact of currency on operating margin for the quarter was roughly 170 basis points.

- Operating margin for the Company's Americas Retail segment increased 340 basis points to negative 0.9% in the third quarter of fiscal 2016, compared to negative 4.3% in the prior-year period. The increase in operating margin was driven primarily by a lower SG&A rate due to lower store impairment charges.
- Operating margin for the Company's Europe segment decreased 20 basis points to 3.8% in the third quarter of fiscal 2016, compared to 4.0% in the prior-year period, due to lower gross margins, partially offset by a lower SG&A rate. The lower gross margins were driven primarily by the unfavorable impact from currency exchange rate fluctuations on product costs, partially offset by higher initial mark-ups. The lower SG&A rate was due primarily to the favorable impact on the fixed cost structure resulting from positive same store sales and lower store impairment charges, partially offset by the unfavorable impact from lower wholesale shipments.
- Operating margin for the Company's Asia segment increased 170 basis points to 4.7% in the third quarter of fiscal 2016, compared to 3.0% in the prior-year period. The increase in operating margin was due to higher gross margins and a lower SG&A rate driven by overall leveraging of expenses as we phase out of our G by GUESS concept in South Korea.
- Operating margin for the Company's Americas Wholesale segment decreased 560 basis points to 20.5% in the third quarter of fiscal 2016, compared to 26.1% in the prior-year period. The decrease in operating margin was due to lower product margins driven primarily by lower initial mark-ups and the unfavorable impact from currency exchange rate fluctuations on product costs.
- Operating margin for the Company's Licensing segment increased 140 basis points to 89.5% in the third quarter of fiscal 2016, compared to 88.1% in the prior-year period.

Other net income, which primarily includes net realized and unrealized gains on non-operating assets, partially offset by net unrealized mark-to-market revaluation losses on foreign currency balances, was \$0.2 million for the third quarter of fiscal 2016, compared to \$7.5 million in the prior-year quarter.

Nine-Month Period Results

Net earnings for the nine months ended October 31, 2015 were \$34.1 million, a decrease of 16.2% compared to \$40.6 million for the nine months ended November 1, 2014. Diluted earnings per share decreased 14.9% to \$0.40, compared to \$0.47 for the prior-year period. The negative impact of currency on earnings per share for the nine months ended October 31, 2015 was approximately 24 cents.

Total net revenue for the first nine months of fiscal 2016 decreased 10.2% to \$1.55 billion, from \$1.72 billion in the prior-year period. In constant currency, total net revenue decreased 1.6%. Refer to the accompanying tables for a summary of net revenue by segment as well as information regarding the impact of foreign currency exchange rate fluctuations on the Company's net revenue.

Operating earnings for the first nine months of fiscal 2016 decreased 2.6% to \$51.4 million (including a \$5.7 million unfavorable currency translation impact), from \$52.7 million in the prior-year period. Operating margin in the first nine months of fiscal 2016 increased 20 basis points to 3.3%, compared to 3.1% in the prior-year period. The increase in operating margin was driven by lower store impairment charges and higher initial mark-ups, partially offset by the unfavorable impact from currency exchange rate fluctuations and the negative impact on the Company's fixed cost structure from negative same store sales in Americas Retail. The negative impact of currency on operating margin for the first nine months of fiscal 2016 was roughly 130 basis points.

- Operating margin for the Company's Americas Retail segment increased 270 basis points to negative 0.6% in the first nine months of fiscal 2016, compared to negative 3.3% in the prior-year period, due to a lower SG&A rate and higher gross margins. The lower SG&A rate was driven by lower store impairment charges. The higher gross margins were due primarily to higher initial mark-ups, partially offset by the negative impact on the fixed cost structure resulting from negative comparable store sales and the unfavorable impact from currency exchange rate fluctuations on product costs.
- Operating margin for the Company's Europe segment decreased 20 basis points to 4.2% in the first nine months of fiscal 2016, compared to 4.4% in the prior-year period, due to lower gross margins, partially offset by a lower SG&A rate. The lower gross margins were driven primarily by the unfavorable impact from currency exchange rate fluctuations on product costs, partially offset by higher initial mark-ups. The lower SG&A rate was due primarily to the favorable impact on the fixed cost structure resulting from positive same store sales and lower store impairment charges, partially offset by the unfavorable impact from lower wholesale shipments.
- Operating margin for the Company's Asia segment increased 80 basis points to 4.6% in the first nine months of fiscal 2016, compared to 3.8% in the prior-year period. The increase in operating margin was driven by a lower SG&A rate due primarily to an overall leveraging of expenses as we phase out of our G by GUESS concept in South Korea.

- Operating margin for the Company's Americas Wholesale segment decreased 230 basis points to 18.2% in the first nine months of fiscal 2016, compared to 20.5% in the prior-year period, driven by lower product margins due primarily to lower initial mark-ups.
- Operating margin for the Company's Licensing segment decreased 80 basis points to 89.0% in the first nine months of fiscal 2016, compared to 89.8% in the prior-year period.

Other net income, which primarily includes net realized and unrealized gains on non-operating assets and net unrealized and realized mark-to-market revaluation gains on foreign currency contracts, was \$6.6 million for the first nine months of fiscal 2016, compared to \$11.1 million in the prior-year period.

Dividends

The Company's Board of Directors has approved a quarterly cash dividend of \$0.225 per share on the Company's common stock. The dividend will be payable on December 24, 2015 to shareholders of record at the close of business on December 9, 2015.

Outlook

The following guidance assumes that foreign currency exchange rates remain at prevailing rates:

The Company's expectations for the fourth quarter of fiscal 2016 ending January 30, 2016, are as follows:

- Consolidated net revenues are expected to range between a decline of 1.5% and an increase of 1.5% in constant currency. Currency headwinds are expected to negatively impact consolidated revenue growth by approximately 5.5%, for a net decline between 7.0% and 4.0%.
- Operating margin is expected to be between 11.0% and 12.0% and includes 170 basis points of currency headwind.
- Diluted earnings per share are expected to be in the range of \$0.53 to \$0.62. The estimated impact on earnings per share of the currency headwinds is approximately \$0.18.

The Company updated its outlook for the fiscal year ending January 30, 2016, which is now as follows:

- Consolidated net revenues are expected to decline between 1.5% and 0.5% in constant currency. Currency headwinds are expected to negatively impact consolidated revenue growth by approximately 8.0%, for a net decline between 9.5% and 8.5%.
- Operating margin is expected to be between 5.5% and 6.0% and includes 130 basis points of currency headwind.
- Diluted earnings per share are expected to be in the range of \$0.93 to \$1.02. The estimated impact on earnings per share of the currency headwinds is approximately \$0.40.

On a segment basis, the Company expects the following ranges for percentage changes for comparable store sales ("comps") and net revenue in constant currency and U.S. dollars compared to the same prior-year period:

| | Outlook by Segment¹ | | | |
|----------------------------|---------------------------------------|-----------------------|--------------------------------------|-----------------------------|
| | Fourth Quarter of Fiscal 2016 | | Fiscal Year 2016 | |
| | Constant Currency² | U.S. Dollars | Constant Currency² | U.S. Dollars |
| Americas Retail: | | | | |
| Comps | down LSD to up LSD | down LSD to flat | down LSD | down LSD |
| Net Revenue | down LSD to up LSD | down LSD to flat | down LSD | down MSD to LSD |
| Europe: | | | | |
| Comps | up MSD | — | up LSD to MSD | — |
| Net Revenue | up LSD | down HSD to MSD | up LSD | down low-teens |
| Asia: | | | | |
| Net Revenue | down low teens to MSD | down mid-teens to HSD | down HSD to MSD | down mid-teens to low-teens |
| Americas Wholesale: | | | | |
| Net Revenue | down LSD | down HSD | down LSD | down LDD |

Licensing:
Net Revenue — down LSD — down MSD

Notes

- 1 As used in the table above, "LSD" is used to refer to the range of Low-Single-Digits, "MSD" is used to refer to the range of Mid-Single-Digits, "HSD" is used to refer to the range of High-Single-Digits, and "LDD" is used to refer to the range of Low-Double-Digits.
- 2 Eliminates the impact of expected foreign currency translation to give investors a better understanding of the underlying trends within the business.

Presentation of Non-GAAP Information

The financial information presented in this release includes non-GAAP financial measures such as constant currency financial information and free cash flow measures. The non-GAAP measures are provided in addition to, and not as alternatives for, the Company's reported GAAP results.

This release includes certain constant currency financial information. Foreign currency exchange rate fluctuations affect the amount reported from translating the Company's foreign revenue, expenses and balance sheet amounts into U.S. dollars. These rate fluctuations can have a significant effect on reported operating results under GAAP. The Company provides constant currency information to enhance the visibility of underlying business trends, excluding the effects of changes in foreign currency translation rates. To calculate net revenue, comparable store sales and earnings (loss) from operations on a constant currency basis, operating or forecasted results for the current-year period are translated into U.S. dollars at the average exchange rates in effect during the comparable period of the prior year. The constant currency calculations do not adjust for the impact of revaluing specific transactions denominated in a currency that is different to the functional currency of that entity when exchange rates fluctuate. However, in calculating the estimated impact of currency on our earnings per share guidance for the fourth quarter and full year of fiscal 2016, the Company estimates gross margin (including the impact of merchandise-related hedges) and expenses using the appropriate prior-year rates, translates the estimated foreign earnings at the comparable prior-year rates, and excludes the year-over-year earnings impact of gains or losses arising from balance sheet remeasurement and foreign currency contracts not designated as merchandise hedges. The constant currency information presented may not be comparable to similarly titled measures reported by other companies.

The Company also includes information regarding its free cash flows in this release. The Company calculates free cash flows as cash flows from operating activities less purchases of property and equipment. Free cash flows is not intended to be an alternative to cash flows from operating activities as a measure of liquidity, but rather provides additional visibility to investors regarding how much cash is generated for discretionary and non-discretionary items after deducting purchases of property and equipment. Free cash flow information presented may not be comparable to similarly titled measures reported by other companies. A reconciliation of reported GAAP cash flows from operating activities to the comparable non-GAAP free cash flow measure is provided in the accompanying tables.

Investor Conference Call

The Company will hold a conference call at 4:45 pm (ET) on November 24, 2015 to discuss the news announced in this press release. A live webcast of the conference call will be accessible at www.guess.com via the "Investor Relations" link. The webcast will be archived on the website for 30 days.

About Guess?

Guess?, Inc. designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, denim, handbags, watches, footwear and other related consumer products. Guess? products are distributed through branded Guess? stores as well as better department and specialty stores around the world. As of October 31, 2015, the Company directly operated 826 retail stores in the Americas, Europe and Asia. The Company's licensees and distributors operated 799 additional retail stores worldwide. As of October 31, 2015, the Company and its licensees and distributors operated in more than 90 countries worldwide. For more information about the Company, please visit www.guess.com.

Forward-Looking Statements

Except for historical information contained herein, certain matters discussed in this press release or the related conference call and webcast, including statements concerning the Company's expectations, future prospects and strategic initiatives (including those identified by our Chief Executive Officer, Victor Herrero), as well as guidance for the fourth quarter and full year of fiscal 2016, are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements, which are frequently indicated by terms such as "expect," "will," "goal," "strategy," "believe," "continue," "outlook," "plan" and similar terms, are only expectations, and involve known and unknown risks and uncertainties, which may cause actual results in future periods to differ materially from what is currently anticipated. Factors which may cause actual results in future periods to differ materially from current expectations include, among others: our ability to maintain our brand image

and reputation; domestic and international economic conditions, including economic and other events that could negatively impact consumer confidence and discretionary consumer spending; changes in the competitive marketplace and in our commercial relationships; our ability to anticipate and respond to consumer preferences and trends; our ability to manage our inventory commensurate with customer demand; risks related to the timing and costs of delivering merchandise to our stores and our wholesale customers; our ability to effectively operate our various retail concepts, including securing, renewing, modifying or terminating leases for store locations; our ability to successfully implement our growth strategies and other strategic initiatives; our ability to successfully implement plans for cost savings; unexpected obligations arising from new or existing litigation, tax and other regulatory proceedings; accounting adjustments identified from subsequent events arising after issuance of this release; risks associated with our foreign operations, such as violations of laws prohibiting improper payments and the burdens of complying with a variety of foreign laws and regulations; risks associated with the acts or omissions of our third party vendors, including a failure to comply with our vendor code of conduct or other policies; risks associated with cyber attacks and other cyber security risks; and changes in economic, political, social and other conditions affecting our foreign operations and sourcing, including the impact of currency fluctuations, global tax rates and economic and market conditions in Eastern Europe, Southern Europe and Asia (particularly China and Korea). In addition to these factors, the economic, technological, managerial, and other risks identified in the Company's most recent annual report on Form 10-K and other filings with the Securities and Exchange Commission, including but not limited to the risk factors discussed therein, could cause actual results to differ materially from current expectations. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Contact: Guess?, Inc.
Fabrice Benarouche
VP, Finance and Investor Relations
(213) 765-5578

Source: Guess?, Inc.

Guess?, Inc. and Subsidiaries
Condensed Consolidated Statements of Income
(amounts in thousands, except per share data)

| | Three Months Ended | | | | Nine Months Ended | | | |
|---|--------------------|--------|------------------|--------|-------------------|--------|------------------|--------|
| | October 31, 2015 | | November 1, 2014 | | October 31, 2015 | | November 1, 2014 | |
| | \$ | % | \$ | % | \$ | % | \$ | % |
| Product sales | \$ 493,214 | 94.7% | \$ 557,862 | 94.6% | \$ 1,467,110 | 94.9% | \$ 1,636,569 | 95.1% |
| Net royalties | 27,750 | 5.3% | 31,972 | 5.4% | 78,942 | 5.1% | 84,377 | 4.9% |
| Net revenue | 520,964 | 100.0% | 589,834 | 100.0% | 1,546,052 | 100.0% | 1,720,946 | 100.0% |
| Cost of product sales | 337,300 | 64.7% | 375,876 | 63.7% | 998,786 | 64.6% | 1,113,980 | 64.7% |
| Gross profit | 183,664 | 35.3% | 213,958 | 36.3% | 547,266 | 35.4% | 606,966 | 35.3% |
| Selling, general and administrative expenses | 162,826 | 31.3% | 189,093 | 32.1% | 495,874 | 32.1% | 554,220 | 32.2% |
| Earnings from operations | 20,838 | 4.0% | 24,865 | 4.2% | 51,392 | 3.3% | 52,746 | 3.1% |
| Other income (expense): | | | | | | | | |
| Interest expense | (292) | (0.0%) | (596) | (0.1%) | (1,456) | (0.1%) | (1,893) | (0.1%) |
| Interest income | 273 | 0.0% | 351 | 0.1% | 784 | 0.1% | 1,076 | 0.1% |
| Other, net | 247 | 0.0% | 7,484 | 1.2% | 6,581 | 0.4% | 11,131 | 0.6% |
| Earnings before income tax expense | 21,066 | 4.0% | 32,104 | 5.4% | 57,301 | 3.7% | 63,060 | 3.7% |
| Income tax expense | 8,005 | 1.5% | 10,594 | 1.8% | 21,774 | 1.4% | 21,465 | 1.3% |
| Net earnings | 13,061 | 2.5% | 21,510 | 3.6% | 35,527 | 2.3% | 41,595 | 2.4% |
| Net earnings attributable to noncontrolling interests | 617 | 0.1% | 722 | 0.1% | 1,453 | 0.1% | 954 | 0.0% |
| Net earnings attributable to Guess?, Inc. | \$ 12,444 | 2.4% | \$ 20,788 | 3.5% | \$ 34,074 | 2.2% | \$ 40,641 | 2.4% |
| Net earnings per common share attributable to common stockholders: | | | | | | | | |
| Basic | \$ 0.15 | | \$ 0.24 | | \$ 0.40 | | \$ 0.48 | |
| Diluted | \$ 0.15 | | \$ 0.24 | | \$ 0.40 | | \$ 0.47 | |
| Weighted average common shares outstanding attributable to common stockholders: | | | | | | | | |
| Basic | 83,985 | | 84,624 | | 84,651 | | 84,565 | |
| Diluted | 84,373 | | 84,832 | | 84,847 | | 84,789 | |
| Effective Tax Rate | 38.0% | | 33.0% | | 38.0% | | 34.0% | |

Guess?, Inc. and Subsidiaries
Consolidated Segment Data
(dollars in thousands)

| | Three Months Ended | | | Nine Months Ended | | |
|---------------------------------|--------------------|------------------|----------|-------------------|------------------|----------|
| | October 31, 2015 | November 1, 2014 | % change | October 31, 2015 | November 1, 2014 | % change |
| | Net revenue: | | | | | |
| Americas Retail ¹ | \$ 226,599 | \$ 243,238 | (7%) | \$ 673,304 | \$ 715,582 | (6%) |
| Europe | 160,696 | 189,852 | (15%) | 497,468 | 584,270 | (15%) |
| Asia | 59,100 | 71,271 | (17%) | 179,880 | 205,656 | (13%) |
| Americas Wholesale ¹ | 46,819 | 53,501 | (12%) | 116,458 | 131,061 | (11%) |
| Licensing | 27,750 | 31,972 | (13%) | 78,942 | 84,377 | (6%) |

| | \$ 520,964 | \$ 589,834 | (12%) | \$ 1,546,052 | \$ 1,720,946 | (10%) |
|----------------------------------|------------------|------------------|--------------|------------------|------------------|-------------|
| Earnings (loss) from operations: | | | | | | |
| Americas Retail ¹ | \$ (2,053) | \$ (10,517) | 80% | \$ (4,018) | \$ (23,578) | 83% |
| Europe | 6,150 | 7,660 | (20%) | 20,668 | 25,541 | (19%) |
| Asia | 2,794 | 2,126 | 31% | 8,294 | 7,743 | 7% |
| Americas Wholesale ¹ | 9,583 | 13,940 | (31%) | 21,202 | 26,860 | (21%) |
| Licensing | 24,842 | 28,157 | (12%) | 70,282 | 75,787 | (7%) |
| Corporate Overhead | (20,478) | (16,501) | 24% | (65,036) | (59,607) | 9% |
| | <u>\$ 20,838</u> | <u>\$ 24,865</u> | <u>(16%)</u> | <u>\$ 51,392</u> | <u>\$ 52,746</u> | <u>(3%)</u> |

Operating margins:

| | | | | |
|---------------------------------|--------|--------|--------|--------|
| Americas Retail ¹ | (0.9%) | (4.3%) | (0.6%) | (3.3%) |
| Europe | 3.8% | 4.0% | 4.2% | 4.4% |
| Asia | 4.7% | 3.0% | 4.6% | 3.8% |
| Americas Wholesale ¹ | 20.5% | 26.1% | 18.2% | 20.5% |
| Licensing | 89.5% | 88.1% | 89.0% | 89.8% |
| Total Company | 4.0% | 4.2% | 3.3% | 3.1% |

Notes

- ¹ In the second quarter of fiscal 2016, the Company changed the names of its “North American Retail” and “North American Wholesale” segments to “Americas Retail” and “Americas Wholesale” to better reflect that these segments are inclusive of its operations in North America as well as Central and South America. There have been no changes to the underlying reporting in either segment.

Guess?, Inc. and Subsidiaries
Constant Currency Financial Measures
(dollars in thousands)

| | Three Months Ended | | | | | | |
|---------------------------------|--------------------|----------------------------|----------------------|-------------------|--------------|----------------------|--|
| | October 31, 2015 | | | November 1, 2014 | | % change | |
| | As Reported | Foreign Currency Impact | Constant Currency | As Reported | As Reported | Constant Currency | |
| Net revenue: | | | | | | | |
| Americas Retail ¹ | \$ 226,599 | \$ 9,570 | \$ 236,169 | \$ 243,238 | (7%) | (3%) | |
| Europe | 160,696 | 25,873 | 186,569 | 189,852 | (15%) | (2%) | |
| Asia | 59,100 | 5,432 | 64,532 | 71,271 | (17%) | (9%) | |
| Americas Wholesale ¹ | 46,819 | 4,874 | 51,693 | 53,501 | (12%) | (3%) | |
| Licensing | 27,750 | — | 27,750 | 31,972 | (13%) | (13%) | |
| | <u>\$ 520,964</u> | <u>\$ 45,749</u> | <u>\$ 566,713</u> | <u>\$ 589,834</u> | <u>(12%)</u> | <u>(4%)</u> | |

| | Nine Months Ended | | | | | | |
|---------------------------------|---------------------|----------------------------|----------------------|---------------------|--------------|----------------------|--|
| | October 31, 2015 | | | November 1, 2014 | | % change | |
| | As Reported | Foreign Currency Impact | Constant Currency | As Reported | As Reported | Constant Currency | |
| Net revenue: | | | | | | | |
| Americas Retail ¹ | \$ 673,304 | \$ 22,739 | \$ 696,043 | \$ 715,582 | (6%) | (3%) | |
| Europe | 497,468 | 104,265 | 601,733 | 584,270 | (15%) | 3% | |
| Asia | 179,880 | 10,994 | 190,874 | 205,656 | (13%) | (7%) | |
| Americas Wholesale ¹ | 116,458 | 9,886 | 126,344 | 131,061 | (11%) | (4%) | |
| Licensing | 78,942 | — | 78,942 | 84,377 | (6%) | (6%) | |
| | <u>\$ 1,546,052</u> | <u>\$ 147,884</u> | <u>\$ 1,693,936</u> | <u>\$ 1,720,946</u> | <u>(10%)</u> | <u>(2%)</u> | |

Notes

- ¹ In the second quarter of fiscal 2016, the Company changed the names of its “North American Retail” and “North American Wholesale” segments to “Americas Retail” and “Americas Wholesale” to better reflect that these segments are inclusive of its operations in North America as well as Central and South America. There have been no changes to the underlying reporting in either segment.

Selected Condensed Consolidated Balance Sheet Data
(in thousands)

| | <u>October 31, 2015</u> | <u>January 31, 2015</u> | <u>November 1, 2014</u> |
|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 402,386 | \$ 483,483 | \$ 374,875 |
| Receivables, net | 195,825 | 216,205 | 236,053 |
| Inventories | 373,103 | 319,078 | 412,573 |
| Other current assets | 78,831 | 92,593 | 114,928 |
| Property and equipment, net | 240,058 | 259,524 | 290,434 |
| Other assets | 232,269 | 230,522 | 225,233 |
| Total Assets | <u>\$ 1,522,472</u> | <u>\$ 1,601,405</u> | <u>\$ 1,654,096</u> |

LIABILITIES AND STOCKHOLDERS' EQUITY

| | | | |
|---|---------------------|---------------------|---------------------|
| Current portion of capital lease obligations and borrowings | \$ 4,450 | \$ 1,548 | \$ 1,707 |
| Other current liabilities | 322,600 | 300,418 | 314,967 |
| Long-term debt and capital lease obligations | 2,189 | 6,165 | 6,738 |
| Other long-term liabilities | 174,288 | 199,391 | 198,850 |
| Redeemable and nonredeemable noncontrolling interests | 17,004 | 20,027 | 20,959 |
| Guess?, Inc. stockholders' equity | 1,001,941 | 1,073,856 | 1,110,875 |
| Total Liabilities and Stockholders' Equity | <u>\$ 1,522,472</u> | <u>\$ 1,601,405</u> | <u>\$ 1,654,096</u> |

Guess?, Inc. and Subsidiaries
Condensed Consolidated Cash Flow Data
(in thousands)

| | <u>Nine Months Ended</u> | |
|--|-----------------------------|-----------------------------|
| | <u>October 31, 2015</u> | <u>November 1, 2014</u> |
| Net cash provided by (used in) operating activities | \$ 64,727 | \$ (4,884) |
| Net cash used in investing activities | (30,529) | (48,055) |
| Net cash used in financing activities | (107,994) | (59,534) |
| Effect of exchange rates on cash and cash equivalents | (7,301) | (15,597) |
| Net change in cash and cash equivalents | (81,097) | (128,070) |
| Cash and cash equivalents at the beginning of the year | 483,483 | 502,945 |
| Cash and cash equivalents at the end of the period | <u>\$ 402,386</u> | <u>\$ 374,875</u> |

Supplemental information:

| | | | | |
|-------------------------------|----|---------|----|---------|
| Depreciation and amortization | \$ | 54,013 | \$ | 64,202 |
| Rent | \$ | 193,292 | \$ | 213,118 |

Guess?, Inc. and Subsidiaries
Reconciliation of Net Cash Provided by (Used in) Operating Activities to Free Cash Flow
(in thousands)

| | Nine Months Ended | |
|---|-----------------------------|-----------------------------|
| | October 31, 2015 | November 1, 2014 |
| Net cash provided by (used in) operating activities | \$ 64,727 | \$ (4,884) |
| Less: Purchases of property and equipment | (40,293) | (53,208) |
| Free cash flow | <u>\$ 24,434</u> | <u>\$ (58,092)</u> |

Guess?, Inc. and Subsidiaries
Retail Store Data
International Store Count

| Region | As of October 31, 2015 | | As of November 1, 2014 | |
|----------------------------|-------------------------------|-------------------------------------|-------------------------------|-------------------------------------|
| | Total Stores | Directly Operated Stores | Total Stores | Directly Operated Stores |
| United States and Canada | 461 | 460 | 492 | 492 |
| Europe and the Middle East | 593 | 274 | 605 | 265 |
| Asia | 475 | 49 | 491 | 48 |
| Central and South America | 96 | 43 | 88 | 39 |
| | <u>1,625</u> | <u>826</u> | <u>1,676</u> | <u>844</u> |

Guess?, Inc. and Subsidiaries
Directly Operated Retail Store Data
U.S. and Canada

| | Nine Months Ended | |
|---|-----------------------------|-----------------------------|
| | October 31, 2015 | November 1, 2014 |
| Number of stores at the beginning of the year | 481 | 494 |
| Store openings | 10 | 13 |
| Store closures | (31) | (15) |
| Number of stores at the end of the period | <u>460</u> | <u>492</u> |
| Total store square footage at the end of the period | <u>2,225,000</u> | <u>2,351,000</u> |

Americas Retail Net Revenue
(dollars in thousands)

| | Three Months Ended | | | Nine Months Ended | | |
|------------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|
| | October 31, 2015 | November 1, 2014 | % change | October 31, 2015 | November 1, 2014 | % change |
| Net revenue: | | | | | | |
| Retail stores | \$ 206,466 | \$ 226,217 | (8.7%) | \$ 616,727 | \$ 667,389 | (7.6%) |
| E-commerce sites | 20,133 | 17,021 | 18.3% | 56,577 | 48,193 | 17.4% |
| Total | \$ 226,599 | \$ 243,238 | (6.8%) | \$ 673,304 | \$ 715,582 | (5.9%) |

Guess?, Inc. and Subsidiaries
Retail Store Change in Comparable Store Sales
U.S. and Canada

| | Three Months Ended | | Nine Months Ended | |
|----------------------------|--------------------|----------------------|-------------------|----------------------|
| | October 31, 2015 | | October 31, 2015 | |
| | U.S. Dollars | Constant Currency | U.S. Dollars | Constant Currency |
| Excluding e-commerce sales | (7.7%) | (4.2%) | (6.5%) | (3.7%) |
| Impact of e-commerce sales | 2.0% | 2.1% | 1.7% | 1.8% |
| Including e-commerce sales | (5.7%) | (2.1%) | (4.8%) | (1.9%) |