
**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): July 5, 2006

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 1.01. Entry into a Material Definitive Agreement.

On July 5, 2006, the compensation committee (the “Committee”) of the Board of Directors (the “Board”) of Guess?, Inc. (the “Company”) and the Board approved an amendment (the “Amendment”) to the Guess?, Inc. 2006 Non-Employee Directors’ Stock Grant and Stock Option Plan (the “Plan”) to change the initial and annual automatic option and restricted stock grants to non-employee directors from share-based grants to dollar-based grants.

Prior to the Amendment, non-employee directors were entitled to receive equity grants under the Plan as follows: (i) upon joining the Board, an award of 2,000 shares of restricted stock and an option to purchase 12,000 shares of common stock and (ii) on the first business day of each fiscal year, an award of 4,000 shares of restricted stock and an option to purchase 7,500 shares of common stock. As the Company’s share price has grown, the dollar value of these share-based grants has increased significantly. For instance, the closing price of the Company’s common stock rose from \$17.36 per share on June 20, 2005 (the date these share-based grant amounts were originally approved by the Board) to \$40.35 per share on July 5, 2006 (the date the Amendment was approved by the Board), an increase of 132%. The shift from a share-based grant allocation to a dollar-based grant allocation is intended to significantly reduce the volatility of director compensation due to stock price fluctuations, while ensuring that future changes in share price will be automatically reflected in all future equity grants under the Plan.

As a result of the Amendment, effective as of July 5, 2006, non-employee directors will be entitled to receive equity grants under the Plan as follows: (a) upon joining the Board, an award of a number of restricted shares equal in value to \$50,000 (determined by dividing such amount by the fair market value of the Company’s common stock on the date of grant) and an option to purchase a number of shares of common stock equal in value to \$50,000 (determined by dividing such amount by the Black Scholes option value of the option on the date of grant) and (b) on the first business day of each fiscal year, an award of a number of restricted shares equal in value to \$90,000 (determined by dividing such amount by the fair market value of the Company’s common stock on the date of grant) and an option to purchase a number of shares of common stock equal in value to \$90,000 (determined by dividing such amount by the Black Scholes option value of the option on the date of grant).

The following chart compares the number of restricted shares and shares subject to options that would have been granted under the Plan before and after the adoption of the Amendment, assuming that, for illustrative purposes only, an initial and annual award of restricted shares and options were required to be made under the Plan on July 5, 2006, the closing price of the Company’s common stock on the date of grant was \$40.35 (the closing price on July 5, 2006) and that the Black Scholes value of an option granted under the Plan on July 5, 2006 was \$20.80 (using the assumptions set forth in the Amendment):

	Number of Shares/Options Prior to the Amendment	Number of Shares/Options After the Amendment
Initial Restricted Stock Grant to New directors	2,000	1,239
Initial Option Grant to New Directors	12,000	2,403
Annual Restricted Stock Grant	4,000	2,230
Annual Option Grant	7,500	4,326

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

10.1 Amendment to the Guess?, Inc. 2006 Non-Employee Directors’ Stock Grant and Stock Option Plan, dated as of July 5, 2006

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: July 10, 2006

GUESS?, INC

By: /s/ Carlos Alberini

Carlos Alberini
President and Chief Operating Officer

EXHIBIT INDEX

Exhibit No.	Description
10.1	Amendment to the Guess?, Inc. 2006 Non-Employee Directors' Stock Grant and Stock Option Plan, dated as of July 5, 2006

**AMENDMENT TO THE
GUESS?, INC.
2006 NON-EMPLOYEE DIRECTORS' STOCK GRANT
AND STOCK OPTION PLAN**

WHEREAS, Guess?, Inc. (the "Company") maintains the Guess?, Inc. 2006 Non-Employee Directors' Stock Grant and Stock Option Plan (the "Plan"); and

WHEREAS, pursuant to Section 9 of the Plan, the Board of Directors of the Company (the "Board") may amend the Plan at any time.

NOW, THEREFORE, the Plan is hereby amended, effective July 5, 2006 as follows:

1. Section 2 is hereby amended by adding the new defined term "Black Scholes Value" in between the defined terms "Beneficial Owner" and "Board," such new defined term to read as follows:

"Black Scholes Value" has the meaning given to such term in Section 5(d)."

2. Section 4(a)(i) is hereby amended in its entirety to read as follows:

"(i) adopt, revise and repeal such administrative rules, guidelines and practices governing this Plan as it shall from time to time deem advisable and adjust the assumptions used in determining the Black Scholes Value under Section 5(d) or provide for a different valuation formula for such purposes;"

3. Section 5(a)(i) is hereby amended in its entirety to read as follows:

"(i) New Director Grants. Each person who first becomes an Eligible Director on or after May 9, 2006 shall be awarded an Option as of the date such person first becomes an Eligible Director to purchase a number of shares of Common Stock equal to \$50,000 divided by the Black Scholes Value as of the date of grant."

4. Section 5(a)(ii) is hereby amended in its entirety to read as follows:

"(ii) Annual Grants. On each Eligibility Date, each Eligible Director who has not been an employee of the Company at any time during the immediately preceding 12 months shall be awarded an Option as of such Eligibility Date to purchase a number of shares of Common Stock equal to \$90,000 divided by the Black Scholes Value as of that date, provided, however, that an Eligible Director whose initial election or appointment to the Board occurs after September 30 of a given year (or, if the fiscal year of the Company shall be other than the calendar year, whose initial election or appointment to the Board occurs more than nine months after the start of the Company's fiscal year) shall not receive an award pursuant to this clause (ii) on the first Eligibility Date to occur after such initial election or appointment."

5. Section 5 is amended by adding a new subsection (d) thereto to read as follows:

“(d) Black Scholes Value. As noted above, the number of shares to be granted subject to any particular Option granted under this Section 5 is determined by reference to the Black Scholes Value as of the particular date of grant of the Option. For this purpose, “Black Scholes Value” means the value of an option to purchase one share of Common Stock calculated as of the applicable date of grant under the Black Scholes option value model. Unless otherwise provided by the Board prior to the applicable date of grant, the Black Scholes option value for Options to be granted on a particular date shall be based on the following assumptions:

- the then current price of a share of Common Stock is equal to the Fair Market Value of a share of Common Stock as of the date of grant of the Option;
- the per share exercise price of the Option is equal to the Fair Market Value of a share of Common Stock as of the date of grant of the Option;
- the expected life of the Option is 5 years;
- the risk-free interest rate is the asked yield rate, as of the day preceding the date of grant of the Option and as reported in the Wall Street Journal, for the U.S. Treasury Note or Bond having a maturity date that is closest to the date that is five years after the date of grant of the Option;
- the volatility of the price of the Common Stock is calculated based on the daily closing price of a share of Common Stock during each of the 60 months preceding the date the grant of the Option occurs; and
- the dividend yield on the Common Stock equals the rate determined by dividing the most recent annual dividend declared on the Common Stock as of the date of grant of the Option by the Fair Market Value of a share of Common Stock as of the date of grant of the Option.”

6. Section 8(a)(i) is hereby amended in its entirety to read as follows:

“(i) New Director Grant. Each person who first becomes an Eligible Director on or after May 9, 2006 shall be granted a Restricted Stock Award on the date such person first becomes an Eligible Director for a number of restricted shares of Common Stock equal to \$50,000 divided by the Fair Market Value of a share of Common Stock on the date of grant.”

7. Section 8(a)(ii) is hereby amended in its entirety to read as follows:

“(ii) Annual Awards. On each Eligibility Date, each Eligible Director who has not been an employee of the Company at any time during the immediately preceding 12 months shall be granted a Restricted Stock Award for a number of restricted shares of

Common Stock equal to \$90,000 divided by the Fair Market Value of a share of Common Stock on the date of grant; provided, however, that an Eligible Director whose initial election or appointment to the Board occurs after September 30 of a given year (or, if the fiscal year of the Company shall be other than the calendar year, whose initial election or appointment to the Board occurs more than nine months after the start of the Company's fiscal year) shall not receive an award pursuant to this clause (ii) on the first Eligibility Date to occur after such initial election or appointment."

IN WITNESS WHEREOF, the Company has caused its duly authorized officer to execute this amendment this 5th day of July, 2006.

GUESS?, INC.

/s/ Carlos Alberini

Name: Carlos Alberini

Title: President and Chief Operating Officer