

---

---

**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): **September 27, 2005**

**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 240.13a-4(c))
- 
- 
-

**Item 1.01. Entry into a Material Definitive Agreement.****Description of Performance-Based Bonus Criteria for Paul Marciano**

On September 27, 2005, the Compensation Committee (the “Committee”) of the Board of Directors of Guess?, Inc. (the “Company”) approved performance criteria for the payment of special bonuses to Paul Marciano, Co-Chairman of the Board and Co-Chief Executive Officer of the Company, under the Company’s 2004 Equity Incentive Plan (the “Incentive Plan”) if the performance targets with respect to future earnings from operations for the Company’s licensing segment are met. The Incentive Plan, which was approved by the shareholders of the Company at the Company’s 2004 annual meeting of shareholders, is an incentive plan designed to attract, retain and motivate officers and other key employees and consultants of the Company and to compensate them for their contributions to the growth and profits of the Company.

In determining the potential awards, the Committee considered the substantial contributions of Paul Marciano to the Company, and in particular his contributions to the Company’s licensing business. Paul Marciano’s performance and contributions were essential to the recent negotiation and execution of several new licensing agreements and extensions on behalf of the Company, including licensing agreements with respect to GUESS? watches, eyewear and handbags. The terms of these three license agreements alone provide for special fixed royalty payments to the Company of \$92.7 million in the aggregate, in addition to increased standard royalties and other amounts normally associated with the Company’s license agreements. Of such special fixed royalty payment amounts, a total of \$42.7 million has already been received by the Company, with the remainder to be paid over time under the terms of the three license agreements, including a payment of \$35.0 million due to the Company in 2012 (the “2012 Payment”). A copy of a press release dated September 28, 2005 related to the watch, eyewear and handbag license agreements is furnished as Exhibit 99.1 to this Current Report on Form 8-K. Although Paul Marciano’s past performance was influential in the Committee’s decision to provide him with an opportunity to earn future bonuses, these bonuses will not be paid unless the performance targets for future performance are achieved.

The following cash bonus awards were authorized by the Committee to be paid to Paul Marciano under the Incentive Plan if the specified levels of earnings from operations for the Company’s licensing segment with respect to the fourth quarter of 2005 and the 2006, 2007 and 2008 calendar years are achieved:

<b>Performance Period</b>	<b>Incentive Compensation Award</b>
Fourth Quarter 2005	\$3.0 million (payable only upon certification of achievement of performance standard for fourth quarter 2005)
2006 Calendar Year	\$1.3 million (payable only upon certification of achievement of performance standard for 2006 calendar year)
2007 Calendar Year	\$1.5 million (payable only upon certification of achievement of performance standard for 2007 calendar year)
2008 Calendar Year	\$3.5 million (payable only upon certification of (i) achievement of performance standard for 2008 calendar year and (ii) receipt by the Company of the \$35.0 million 2012 Payment due in January 2012)

All such potential awards are intended to qualify as performance-based compensation within the meaning of Internal Revenue Code Section 162(m). Such potential awards are in addition to any other performance-based awards for which Paul Marciano is eligible under the Incentive Plan, the Company’s Annual Incentive Bonus Plan or otherwise.

**Item 9.01. Financial Statements and Exhibits.**

**(c) Exhibits.**

The following exhibit is furnished herewith:

99.1 Press Release of Guess?, Inc. dated September 28, 2005 (related to license agreements)

**SIGNATURE**

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: September 28, 2005

GUESS?, INC.

By: /s/ Carlos Alberini

Carlos Alberini  
*President and Chief Operating Officer*

## EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release of Guess?, Inc. dated September 28, 2005 (related to license agreements)



GUESS?, INC.

NEWS RELEASE

*For Immediate Release*

Contact: Carlos Alberini  
President & Chief Operating Officer  
(213) 765-3582

Frederick G. Silny  
SVP & Chief Financial Officer  
(213) 765-3289

**GUESS? AND CALLANEN SIGN NEW LICENSE AGREEMENT**

**FOR GUESS? WATCHES WORLDWIDE**

LOS ANGELES, CA, September 28, 2005 — Guess?, Inc. (NYSE: GES) announced today that it has signed a new 10-year global license agreement commencing January 1, 2007 with an affiliate of Callanen International, Inc., a Timex Corporation subsidiary. Callanen has been producing and distributing Guess watches for over 20 years.

Callanen will operate the Guess watch business through a newly formed subsidiary and will continue to expand upon its worldwide network to market and distribute Guess watches globally. Minimum royalties under the Callanen license agreement are based on wholesale sales of \$1.45 billion for the initial 10-year term. Current annual worldwide wholesale sales of Guess and Guess Collection watches are approximately \$150 million.

Paul Marciano, Co-Chairman and Co-CEO of Guess?, Inc. stated, “We are extremely excited to continue working with Callanen to expand sales of Guess watches worldwide. The new license agreement between Guess and Callanen extends one of our most successful partnerships in the history of our brand. We believe that the opportunities, especially for international growth, are very substantial.”

The Company also announced it has amended the license agreements for handbags and eyewear with its existing, long-term licensees. In addition to the standard royalties and other amounts payable to the Company under the agreements, the new license agreement for watches and the amendments for handbags and eyewear provide for special fixed royalty payments totaling \$92.7 million. Of this amount, \$42.7 million has already been received by the Company. The remaining funds will be collected over time, including a payment of \$35.0 million due to the Company in 2012.

---

Based on the terms of these license agreements, assuming no change to the existing sales volumes for the related products or to the Company's tax rate and number of shares outstanding, the Company anticipates that the net impact of these license agreements to net earnings and earnings per share for the next five years will be as follows:

Fiscal Year	Approximate Increase in		Approximate Increase in	
	Net Earnings		Earnings Per Share	
2006	\$	3.0 million	\$	0.07
2007	\$	7.7 million	\$	0.17
2008	\$	7.8 million	\$	0.17
2009	\$	7.8 million	\$	0.18
2010	\$	7.1 million	\$	0.16

Guess?, Inc. designs, markets, distributes and licenses a lifestyle collection of contemporary apparel, accessories and related consumer products. At August 27, 2005 the Company owned and operated 302 retail stores in the United States and Canada. The Company also distributes its products through better department and specialty stores around the world. For more information about the Company, please visit [www.guess.com](http://www.guess.com).

*Except for historical information contained herein, certain matters discussed in this press release 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 are only expectations, and involve known and unknown risks and uncertainties, which may cause actual results in future periods and other future events to differ materially from what is currently anticipated. Factors which may cause actual results in future periods to differ from current expectations include, among other things, the continued desirability and customer acceptance of existing and future product lines (including licensed product lines), the receipt by the Company of special fixed royalty and other payments required under the terms of licenses for watches, handbags and eyewear, the ability of licensees to maintain existing sales volumes in future years, the successful integration of acquisitions, new stores and new licensees into existing operations, possible cancellations of wholesale orders, the success of competitive products, the continued availability of adequate sources of capital, general economic conditions, competition, acts of terrorism or acts of war, government regulation, currency fluctuations and possible future litigation. In addition to these factors, the economic and other factors 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 affect the forward-looking statements contained herein and in the Company's other public documents.*