



THE NEIMAN MARCUS BACKGROUND

Neiman Marcus represents the finest and most unique merchandise the world has to offer. It evokes images of preeminent designers and elegant fashion, luxurious furnishings and incomparable gifts. Since its inception in 1907, Neiman Marcus has operated by a fundamental and abiding principle: to exceed the customer's expectations.

Today, the tradition behind Neiman Marcus supports one of the nation's leading specialty retail organizations with more than five million gross square feet of store operations in the United States, including 41 Neiman Marcus stores, two Bergdorf Goodman stores and 38 Last Call outlet centers. The company's Neiman Marcus Online division also operates web sites that offer customers the leading assortment of luxury merchandise for women, men and home. In addition, the company has a thriving direct marketing and catalog business.

Opened in Dallas, Texas, in 1907 by Herbert Marcus, Sr., his sister, Carrie Marcus Neiman, and her husband A.L. Neiman, the first Neiman Marcus store was designed to fashionably clothe the entire community of Dallas. The initial advertising promised, "wider variety and more exclusive styles...than any other store in the South." Neiman Marcus pledged fashion, quality, superior values and unparalleled service.

It shall be the store's policy to be a leader at all times. With this aim always in view, exclusive lines of high-class garments have been secured, lines which have never been secured, lines which have never been offered to buyers in Texas. While Neiman Marcus will carry priced garments, and in greater quantities than has been customary in Dallas, we devoted the same care to the selection of our popular price garments as we did to our imported models. Our prices will be as low as is consistent with quality and workmanship.

The Dallas Morning News, Sept. 1, 1907 -- The first Neiman Marcus advertisement

In 1905, Mr. Marcus and the Neimans moved from Dallas to Atlanta to open an innovative sales promotion business. The enterprise was a great success, and after two years they received two offers to sell out. One proposition was for \$25,000, which they accepted in order to return to Dallas and start a business of their own — Neiman Marcus. The other offer involved a state franchise for an emerging bottled drink — Coca Cola.

For the next six decades, the Marcus family led the management of Neiman Marcus, maintaining Herbert Marcus, Sr.'s principles: "It's never a good sale for Neiman Marcus, unless it's a good buy for the customer." and "We want to sell satisfaction, not just merchandise." Eventually, all of Herbert Marcus, Sr.'s sons joined the company: Stanley and Edward in 1926; Herbert, Jr., in 1932; and Lawrence in 1944. During World War II, Stanley Marcus served as the chief of the clothing section for the War Production Board, while his brothers joined the armed services.

Neiman Marcus is Texas with a French accent...We suggest you think, quickly, of the half-dozen smartest shops in New York which you may have been accustomed to regarding as the smartest shops in the country. Neiman Marcus, 2,000 miles away, belongs easily in that small aristocracy of fashion. In 26 years since its beginnings, it has achieved such a preeminent place in the affections and respects of the United States and *Vogue* suspects a genius concealed somewhere about the place.

Vogue, Nov. 15, 1953, "Continental Chic in Texas"

With the passing of Herbert Marcus, Sr. on December 11, 1950, the Board of Directors of Neiman Marcus elected Carrie Neiman, Chairman of the Board; Stanley Marcus, President and Chief Executive Officer; and Edward Marcus, Executive Vice President. Along with Moira Cullen, Neiman Marcus's first buyer, Carrie Neiman is credited with defining the intrinsic style with which Neiman Marcus has become synonymous.

As President and Chief Executive Officer, Stanley Marcus guided Neiman Marcus through the first expansions, developed nationally recognized advertising and sales promotion events and pursued luxury merchandise across the world. All the while, he maintained a close relationship with customers, vendors and staff alike. "Mr. Stanley," as he came to be known, served as President and Chief Executive Officer until 1969 when the company was sold to Carter Hawley Hale Stores, Inc., and he was named Executive Vice President in charge of the specialty store division. Mr. Marcus, whose uncompromising commitment to quality and customer service won Neiman Marcus international renown, served as Chairman Emeritus of the company until his death at the age of 96 in January of 2002.

Neiman Marcus Group LTD LLC operations include the Specialty Retail Stores segment and the Online segment. The Specialty Retail Stores segment consists primarily of Neiman Marcus, Bergdorf Goodman and Last Call stores. The Online segment conducts direct to consumer operations under the Neiman Marcus, Horchow, CUSP, Last Call and Bergdorf Goodman brand names. For more information, visit www.neimanmarcusgroup.com.

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