MADE TO LAST: 5 Powerful Brands That Never Stand Still

A Snapshot Of Other VF Brands On The Move
MADE TO LAST:
2012 Annual Review & Performance Update

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To Our Shareholders:

2012 was another year of records for VF—record revenues, record margins, record earnings and record cash flow from operations. It was a year that revealed the strength of our company and business model.

VF has unique strengths that provide us with an enduring competitive advantage, including:

• A diverse portfolio of more than 30 brands that combine a rich, authentic heritage with new product innovation to reach a broad array of consumers in every market;
• A consumer-centric approach to product development, backed by comprehensive research, that is helping us forge ever-deeper connections with those who buy and wear our products;
• A highly efficient, flexible and diversified supply chain that includes both owned and sourced manufacturing, which gives us unparalleled ability to innovate in product innovation, speed to market, cost and quality; and,
• An extraordinary bench of talent across our brands and functional areas that is committed to winning in any environment—and to delivering strong, consistent returns to our shareholders.

Individually, any one of those strengths would be an enviable asset for a company to have. Yet together—in concert—they are at the center of VF’s DNA and are what allows us to consistently generate value for our shareholders. Our focus on TSR, or total shareholder return, has clearly been paid off, with VF generating a TSR averaging 30 percent during the last three years. And we are far from done.

2012: A Year of Milestones

In 2012, total revenues grew 15 percent, reaching a record $10.9 billion, with organic growth in every category, every global region, and in both our wholesale and direct-to-consumer businesses. Excluding The Timberland Company (“Timberland”), VF’s organic revenues grew by 6 percent.

Internationally, constant dollar revenues for the year were up 29 percent, or approximately 160 stores across our brands. VF’s e-commerce business grew more than 30 percent in 2012, and we expect similarly strong performance in 2013. Turning to 2013, we’re looking forward to delivering another year of record revenues and earnings. All global companies operate in a constantly changing environment and we have proven—time and time again—that our ability to effectively manage our business under a variety of conditions. This year will be no different. We will continue to leverage our business model and competitive advantages to grow revenues, expand margins and increase earnings while mitigating external economic risks.

Since being introduced in 2004, VF’s six growth drivers have guided our success. And they will continue to do so in 2013.

• Our first growth driver is “Serve Consumers Directly,” through our strong momentum in Asia and navigating through difficult conditions in Europe.

Our fifth is to “Enable VF’s Future.” VF is a much bigger company today than we were just five years ago. To continue our momentum, we recognize the importance of consistent investments behind brand in-database infrastructure, including talent development, supply chain capabilities and technology. In 2012, our capital expenditures reached a record $244 million, as we invested in growth-supporting projects, such as new distribution centers, office facilities, and retail stores.

Our sixth growth driver is to “Lead in Innovation.” At VF, we have a simple definition of innovation: something new that creates value. Products, of course, are at the heart of our innovation agenda. From The North Face® brand’s FlashDry™ technology fabric that provides unmatched moisture-wicking to the Timberland® brand’s anti-fatigue boot technology that gives workers all-day comfort to partner-endorsed technology in Mountain that provides a superior fit for women, all of our brands are actively pursuing breakthroughs in product and process innovation.

We are proud of our company’s success—but we are also keenly aware of the many challenges posed by mixed economic conditions globally. We continue to scrutinize costs across the board and keep inventories tightly controlled. At the same time, challenging conditions offer great opportunities for strong companies with strong brands to invest and gain market share. So we will continue to invest in our highest-growth, most-profitable brands and businesses to support our top and bottom line momentum.

Our portfolio of brands is as strong as it has ever been. We have countless opportunities to grow around the world. We are investing to strengthen our core capabilities in product development, technology, direct-to-consumer and sustainability, among others, to support an even bigger and more profitable VF in the future.

Eric C. Wiseman
Chairman, President & Chief Executive Officer
Conrad Anker is one of the world’s most accomplished alpine climbers. Not only has he summited Mount Everest three times, but on one of his climbs he also found the body of legendary British climber George Mallory, who disappeared while trying to reach the peak in the 1920s. Dean Karnazes was named one of TIME magazine’s “100 Most Influential People.” This world champion ultrarunner is known as “The Marathon Man” for running 50 marathons in 50 U.S. states in 50 consecutive days. Kit Deslauriers, World Cup extreme ski champion, was the first person to ski from the apex of every continent, known as the Seven Summits. USA Today called her ski descent of Mount Everest the “ultimate test of knowledge and will.”

To understand what makes The North Face® brand successful, you have to understand its relationship with Conrad, Dean, Kit and more than 70 other athletes on the brand’s global team.

ATHLETE-DRIVEN
The close partnership between The North Face® brand and its athletes drives its success.
In 1972, The North Face technology is to work with athletes who push the limits of human endurance. The best way to create products that push the limits of design and Athlete-Driven Innovation to Create that simply manufacture products,” says Joe Vernachio, Vice President, are grounded in heritage and the real world, rather than brands

“We know that consumers want to engage with authentic brands that own potential. consumers who want to explore the world while testing the limits of their

What’s unique about the brand’s relationships with these extraordinary athletes is that they are empowered to become product developers, storytellers, scientific researchers and educators inspiring to millions of consumers who want to explore the world while testing the limits of their own potential.

“No other company has this level of interaction between athletes and designers. We’ll have an idea and the design team creates a prototype. Then we take it out on expeditions and give them real-time feedback to fine-tune it.”

— Conrad Anker, Alpinist

Athlete-Driven Innovation to Create Breakthrough Products

The best way to create products that push the limits of design and technology is to work with athletes who push the limits of human endurance.

In 1972, The North Face® brand sent famed skier and adventurer Ned Gillette on a 300-mile ski traverse in Alaska’s Brooks Range to test its latest protective apparel. Forty years later, The North Face® brand athletes are still traveling the world to experience real-world challenges for the brand’s Research, Design and Development (RDD) team to solve.

Every year, there aren’t just new mountains to climb or records to break. There are new products to test, new problems to solve and new value to be created for consumers. When consumers buy The North Face®, they know that world-class athletes don’t just wear it, they helped create it.

In May 2012, six of The North Face® brand athletes successfully summited Mount Everest. The expedition, which was co-sponsored by National Geographic, also included physicians from Mayo Clinic and product engineers from The North Face® brand. Their firsthand research on the effects of this harsh environment on the body and mind is being applied 

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Athlete-Driven Education to Expand into New Markets

China represents a unique growth opportunity, but to leaders at The North Face®, it is one that looks familiar: “The outdoor category in China today is similar to the United States in the late ’60s and Korea in the late ’70s,” says Jacob Uhland, General Manager, Asia Pacific.

“We need to educate the beginners in China first.”

In addition to product development and research, expeditions also provide The North Face® brand with a continuous source of new stories to engage and inspire consumers around the world. Many of The North Face® athletes such as Jimmy Chin and Bryan O’Coulth—are also accomplished filmmakers and artists. Numerous videos the brand distributes online, in social media or in-store via the The North Face® digital ecosystem—and must every TV commercial run during the holiday season—were filmed by an athlete. That’s a level of authenticity that no other brand can match.

Even more powerful is the expedition storytelling facilitated by technology and social media. This year, consumers around the world got real-time photography, audio and video from athletes in the highest mountain ranges of Nepal, on New Zealand’s cross-country to Anarock trail and during a snowboarding expedition in Antarctica during “Mission Antarctica.” Xavier de Le Rue and Lucas Debak were able to share real-time dispatches as they rode some of the steepest and most beautiful lines at the bottom of the world.

The North Face® brand is constantly working to create new ways—but both traditional and digital—for consumers to experience the brand. In 2012, more than 1,000 consumers attended The North Face® Speakers Series, a 26-stop global speaking tour featuring the brand’s athletes. Another 10,000 in Europe and the United States watched webcasts online. And last year also saw the launch of a new iPhone/Android app that enhances the shopping experience by seamlessly blending brand stories with product information and options for purchases and delivery. No matter where they shop, consumers have access to the full breadth and depth of the brand at their fingertips.

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Thermoball™ Fabric: The Next Evolution Of Insulation

Thermoball™ fabric is a new synthetic material that combines the low weight, warmth and compression of down with the wet-weather insulating performance of synthetics.

Unlike traditional synthetic insulation, Thermoball™ fabric structure mimics down clusters, trapping heat within small air pockets to retain warmth. Thermoball™ fabric provides warmth equivalent to a 600-fill goose down jacket made of the same fabric and quilt construction, but with less weight and bulk.

ABS Vest: The Industry’s First Avalanche Airbag Apparel System

ABS uses a nitrogen gas canister to inflate two high-volume airbags that keep the wearer on the surface of an avalanche, visible to rescuers.

The ABS system has received numerous awards and high praise in press coverage on the TODAY Show, Popular Mechanics, Men’s Journal and Outside magazine, generating more than 20 million impressions. Most importantly, the ABS system has proven to significantly improve safety in the backcountry, with a 95 percent success rate in real-world use.

Respect for nature is deeply rooted in Chinese culture. But during the last few decades, the country’s major population shift from country to city has distanced its citizens from the unspoiled environments they love. “Consumers lack the knowledge,” says Lu Guo, Director, Strategy, Asia Pacific. “They have no idea about where to go, who to go with, what to wear or how to protect themselves. This offers a great opportunity for The North Face® brand.”

To chart the way forward in China, the brand is looking to its past. Since its inception, The North Face® brand has built a community of outdoor participation through education, with veteran athletes teaching beginners. Today, The North Face® brand is building a new community of outdoor enthusiasts and connecting them via a powerful online platform.

In 2006, The North Face® brand assembled its first China Athlete Team, a group of 12 alpine rock climbers, mountaineers, skiers and trail runners. With the brand’s support, in 2012 the team’s leader, renowned Chinese mountaineer Sun Bin, started the Summit Outdoor School to educate leaders of local outdoor clubs around the country. The school trained 300 guides in 2012, and has aggressive plans to educate 1,000 guides each year by 2017.

To connect beginner athletes with local clubs, The North Face® brand is utilizing Quyeba.com, an online platform that blends social networking, gaming, instruction, inspiration and e-commerce. Users can go on “real-world” outdoor quests to achieve badges that build their online identity. They can also share photos and stories and meet other outdoor enthusiasts to plan excursions. Within two weeks of its launch, The North Face® brand had 10,000 registered users on Quyeba.com, and 400 of China’s professional outdoor clubs started interacting and promoting trips on the platform.

For more than 40 years, The North Face® brand athletes have helped lead the brand into new markets and new successes. “Pursing our boundaries, both mental and physical, in extreme environments is what we do;” says Conrad Anker, The North Face® brand global athlete team captain. “To go where no one has gone before — be it an unclimbed peak, a fresh ski trick or a level of endurance — are the possibilities that drive us. This same dedication to breaking new ground is embodied in our product line. Designing the lightest, strongest and most durable product is an ongoing journey.”
Almost 50 years ago, on the sun-soaked streets, sidewalks, stairs and empty swimming pools of Southern California, a brand and a movement were born at the same time. The Vans® brand and skateboarding grew up together. The brand’s iconic, waffle-sole designed shoes, worn by the riders who created the sport, changed youth culture forever—impacting everything from film and music to art and fashion.

Skateboarding and other action sports such as surfing, snowboarding and BMX aren’t like traditional sports. Although competition is one aspect of these sub-cultures, referees, rules and coaches are disliked by participants. Individuality reigns supreme. Drawing your own line and expressing yourself on your terms push these sports and their cultures forward.

These twin impulses of creative self-expression and individuality are universal. And they appeal to more than just athletes. They’re for anyone who wants the freedom to be themselves—in their art, their music or their style. Among the young, who are most eager to make their unique mark on this world, these desires are amplified.

The Vans® brand is the original action sports and youth culture icon. But you can’t stay original by doing what you’ve always done.
“Kids see their parents and grandparents wearing the Vans® brand and they’re cool with it. Our authenticity allows us to cross the generational boundaries that constrain most brands.”

—David Solomon, Vice President, Footwear

“Consumers first put Vans® shoes on their feet to express themselves differently,” says Kevin Bailey, President, Vans® brand. “They drew on their Vans® shoes with a pen and created our first checkerboard patterns years ago. The most successful brands are authentic; that’s where this brand comes from. People see the authenticity and they want to be part of it.”

The Vans® brand does not embody just skateboarding. It represents the larger youth culture that inspired it. This is the true driver of the brand’s extraordinary global growth, with the Vans® brand quadrupling in size since being acquired by VF in 2004. Because the brand has been grounded in youth culture from its inception (the brand’s tagline is “Off the Wall” since 1966), it has earned a raw and long-lived credibility.

And the Vans® brand continues to be on the move. In 2012, VF announced plans to add $1 billion in revenue to the brand by 2016, representing a 13 percent compound annual growth rate. The under-the-radar worlds of action sports and youth culture are becoming more mainstream and reaching larger audiences. Consumers are looking for meaning and purpose in the brands they choose. The Vans® brand today unless you’re innovating with interactive platforms.”

“During the past five years, we have transformed our marketing approach—from focusing on traditional advertising to innovating with interactive experiences,” says Doug Palladini, Vice President, Global Marketing, Vans® brand. “You cannot be a successful youth culture brand today unless you’re innovating with interactive platforms.”

The Vans® brand has always had a close relationship with its consumers, through retail stores, local events and athlete teams. Today, non-traditional marketing, interactive experiences and global events—amplified by a far-reaching social media presence—make the brand omnipresent in their lives.

“From Beijing to Buenos Aires to Brooklyn, there’s not a weekend that goes by without a Vans® sweet taking place,” Palladini says. “In person, and live on the web, Vans® events and promotions bring our brand stories to life.”

Vans® web traffic ranks among the top five of all sports brands worldwide. In 2011, 10.4 million people watched the Vans® Triple Crown of Surfing® via online streams, making it the most-watched action sports event in history, in any medium. Offthewall.tv, the brand’s online television network, grew by 66 percent to 2.5 million streams with more than 300 episodes of 15 original series. Available 24/7/365, Offthewall.tv is a vital source of outreach to new consumers around the world. 2012 also saw the 18th year of the Vans® Warped Tour®, the longest-running music tour in U.S. history, with an annual attendance of more than 650,000 fans. Footage from the tour was the basis for the full-length music documentary, “No Room for Rockstars,” which premiered at the 2012 Sundance Film Festival. In Europe, the Downtown Showdown® skateboarding contest in Amsterdam received 71 million impressions.

All of this content is distributed to a fast-growing base of consumers through the brand’s social media platforms. And in 2012, the number of Vans®, global Facebook fans reached nearly 10 million. Vans® Girls Facebook followers tripled to 369,000.

Creating the Future of Action Sports Footwear

The Vans® brand was founded on product innovation. Years ago, the brand’s sticky waffle-sole design and superior board feel modernized skateboarding by meeting the cannot needs of riders. Twenty years ago, the Vans® brand produced the first signature model skateboarding shoe, the Steve Caballero Full and Half Cab, and has led the way in athlete-inspired action sports shoes and boots ever since. Today, athletes—from surf, skate, snow, BMX and motocross—are all part of the development process. Tied into music, art and street culture, the Vans® brand also seeks in influence from an extended global family of musicians, artists and designers across all genres.

“Innovation is about constantly evolving with your youthful consumer,” Palladini says. “We must anticipate their needs and provide them with ways to help them express their creativity.”

2012 marked the launch of a new product that perfectly represents that evolution, the LXVI (or “66,” named for the year in which the Vans® brand was founded) footwear collection.

“Action sports have grown up in some ways,” says Bailey. “Youth consumers don’t think about action sports as an alternative activity. They take piano lessons, they play soccer and they snowboard. It’s part of their everyday lives. This means we have a great opportunity with more mainstream consumers.”

Having grown up wearing traditional athletic shoes, these consumers are looking for similar features in shoes for action sports. The LXVI collection blends them for the first time. The shoes are lightweight, comfortable and feel more like a traditional athletic shoe, thanks to a slight lift in the heel. The Vans® brand also re-retreaded its trademark waffle-sole pattern, providing flexibility and a more dynamic fit. The LXVI collection was launched in 2012 in select Foot Locker, lifestyle specialty and sporting goods stores, as well as online and in Vans® retail stores.

The Vans® brand also reinvented its trademark waffle-sole pattern, which is now the LXVI Collection®.

“Vans® Girls

2004

$345 M

2012

$1.4 B

Quadrupling in size since its acquisition by VF

Changing the Way Consumers Connect and Interact

Young people find new and different ways to express themselves every day. New technologies allow them to be instant photographers, film makers and musicians. New communications platforms have given them a personal stage, soapbox, gallery or TV channel. To reach young consumers, you cannot just run commercials — you have to be relevant. Authenticity allows us to take piano lessons, they play soccer and they snowboard. It’s part of their everyday lives. This means we have a great opportunity with more mainstream consumers.”

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Reaching New Consumers Around the World

“Arguably, the Vans® brand has one of the most successful models in brand retailing, while maintaining a strong and growing wholesale business,” Bailey explains. “In fact, direct-to-consumer has been a part of the Vans® brand since the beginning.” The model—which blends owned stores, partner doors and e-commerce—is a powerful competitive advantage. Specialty boutiques, such as the the Vans® DQM General in New York and Off the Hook in Montreal, offer the brand opportunities to get closer to its consumers, while maintaining vital relationships with local retail partners. In addition, the brand launched e-commerce sites in seven European markets in 2012. By sharing resources with VF sister brands on the company’s platform in Switzerland, the Vans® brand has been able to expand online quickly.

Owned stores, however, present the best opportunity for the brand to tell its story, particularly in critical emerging growth markets such as China. In 2012, the Vans® brand launched a new global store format designed to use the brand’s heritage to tell locally relevant stories. The first refit was the Vans® brand flagship store in Beijing, where the brand saw a jump in same-store sales of 20 percent. “Retail is not just the vending machine,” says Mitchell Whitaker, General Manager, Action Sports, Asia. “It’s much deeper than that. Consumers need to see, touch and feel to really get a sense of what the brand is about when they go to a retail location.” The Vans® brand ended 2012 with 354 owned retail stores worldwide.

Wherever it goes around the world, the Vans® brand stands for creative self-expression and originality. These values know no border or boundary, although they are carefully interpreted in different ways in different markets.

For example, after extensive consumer research in China, the Vans® brand has focused its brand on skate and music, two activities that resonate with Chinese youth consumers. The Vans® brand sponsored events in 28 Chinese cities for “World Go Skateboarding Day,” drawing more than 3,000 participants. In 2012, the Vans® brand was also the first brand to collaborate with the three-day Midi Music Festival, a socially conscious music festival that raises awareness about the dangers of pollution in China. These efforts, along with a growing retail footprint, are driving double-digit growth in this dynamic market. In 2012, the Vans® brand reached an important milestone in China: 500 partner doors, a number they hope to triple during the next four years.

The Vans® brand is also showing phenomenal growth in Europe while continuing to expand in North America. Although the brand has been in Southern California for 46 years, its presence on the East Coast and other key regions remains small. And room for a global brand to expand close to home is a rare opportunity.

Like skateboarders, the Vans® brand is ready to show everyone what it can achieve, while staying true to itself.

Classics: Iconic For 47 years

The pioneers of skateboarding embraced the Vans® Classics because the flexible, gum-rubber outside let them feel their boards while providing tremendous grip. The now-famous waffle-sole design has been on the feet of generations since.

Vault™ Shoe:
The Shoe That Began A Transformation

The launch of the Vault™ shoe was a turning point for the Vans® brand. For the first time, the brand specifically targeted style-driven consumers who grew up with the brand, but had outgrown the look of canvas sneakers. The brand went back to the vault, literally, to reinvigorate forgotten classic silhouettes with new, more sophisticated materials, such as Italian leather.

Pro Classics: The Best, Only Better

As skateboarding evolves, kids are continually pushing the limits with bigger jumps and more technical tricks—while pushing their shoes to the breaking point. Pro Classics give everyday skateboarders the classic Vans® brand look with more durability and support to withstand the abuse of asphalt and cement.
The Timberland® brand’s 40-year journey to becoming a leader in sustainable footwear began with a small step—its founder’s refusal to compromise. At a time when conventional wisdom said it was impossible to make a waterproof leather boot, Nathan Swartz went on a years-long quest to prove them wrong. The result? The Timberland® brand’s first waterproof leather boot, the iconic yellow “10061.”

This ethos of New England craftsmanship and Yankee ingenuity—the refusal to make concessions in the desire to create something better—has propelled the brand’s growth. It has also inspired an impassioned and relentless search for new, more environmentally and socially responsible materials and manufacturing processes.

“The central idea of the Timberland® brand is to ‘make it better’—both in our products and in our communities,” says Robin Giampa, Director, Communications, Timberland® brand. “We were founded on that ideal, and it still holds true today.”

In 1973, making a sustainable product meant building it to last. Today, the Timberland® brand’s promise to consumers is even more powerful—great-looking, well-crafted and innovative products that are made to perform without compromising either principles or profit.
“Our initiatives have proven that sustainability can be a competitive advantage,” says Patrick Fink, President, Timberland® brand. “We have improved our bottom line by reducing energy costs and greenhouse gas emissions, and we’re creating top line growth by meeting consumers’ growing desire for eco-conscious products.”

Now that the Timberland® brand is part of VF, the brand has a unique opportunity to leverage VF’s platforms, including consumer insights, supply chain and global distribution, to reach its full potential while striving to reduce its impact on the world.

“The Timberland® brand’s corporate responsibility leadership was one of the drivers in VF Corporation’s decision to acquire the company in 2011,” Fink says. “When a $10 billion apparel and footwear powerhouse is attracted to a brand due, in part, to its innovative approach to sustainability, you know there’s business value there.”

Innovation for Consumers — and Their Values

The Timberland® brand’s product development is grounded in a philosophy of reducing its overall environmental impact. “There’s no better example of how the brand ‘walks the talk’ than its Earthkeepers® collection.

In a story remarkably similar to the development of the brand’s classic 10061 yellow boot, the Earthkeepers® line began with one designer’s personal mission to make a better shoe in a more environmentally conscious way. The breakthrough was to use recycled, organic and renewable materials. And similar to the 10061, it proved an instant success.

The Earthkeepers® collection launched in 2007 with just one boot. Since then, the collection has expanded across footwear, apparel and accessories. In 2012, it represented more than half of all Timberland® footwear styles worldwide. The Earthkeepers® collection is now the Timberland® brand’s fastest-growing and largest product line — a clear demonstration of the growth potential of eco-conscious products.

“When we set out to create the Earthkeepers® collection, our goal was to produce footwear that’s as premium on everything else we make — but with less impact on the planet,” says Pete Landford, Director, Design, Timberland® brand.

This year, the Timberland® brand introduced the Earthkeepers® Hookset Handcrafted Collection, which features a minimal amount of materials, including organic cotton, natural latex rubber, recycled aluminum and leather pieces (some of which are scraps). These recycled, organic and renewable materials are attached together to create a stylish, colorful collection of lightweight, fun footwear made with the environment in mind.

“The Hookset Handcrafted Collection marks a major milestone — proving that quality, durability and craftsmanship can coexist with eco-sensitivity and create a remarkable shoe,” Landford says.

Launched in spring 2012, the collection has exceeded expectations for instant success. Cleverly sourced using leftovers from the cutting-room floor, the collection has proven a success from the start. With only 1,600 pairs in key outlets and retailers. Nadege Winter then personally selected pieces of fabric to make every pair a unique creation. With only 1,600 pairs in key outlets across four European countries, the Nadege Winter collection is creating a big stir on social networks and blogs, registering more than 23 million impressions on year-end.

Knowing now just how much of VF for more than a year, the Timberland® brand has only just begun to reach its full growth potential. As the brand marks its 45th anniversary in 2013, the Timberland® brand will be one step closer to achieving its vision of becoming the world’s leading authentic, sustainable outdoor lifestyle brand.

“The Hookset Handcrafted Collection marks a major milestone — proving that quality, durability and craftsmanship can coexist with eco-sensitivity and create a remarkable shoe.”

— Pete Landford, Director, Design

Earthkeepers® Hookset Collection
In The Raw

Recycled Aluminum
Corrosion resistant for durability.

Natural Latex Rubber
The raw material is sourced right from the living tree.

100 Percent Organic Cotton Canvas
Grown without fertilizers or pesticides for lightweight wearability and durability.

Scrap Leather Accent Pieces
Cleverly sourced using leftovers from the cutting-room floor, the collection has proven as popular that the brand was lifted to use non-scrapp leather to fulfill sales orders.

“China is not only the No. 1 user of energy in the world, but it is also the No.1 user of renewable energy,” says Stewart Whitney, Vice President & Managing Director, Timberland® brand, Asia Pacific. “Being an environmentally aware brand is becoming increasingly relevant, especially to younger consumers around the world. The Timberland® brand is uniquely positioned to capitalize on this.”

In Europe, the Timberland® brand is elevating its efforts to reach female consumers by collaborating with Parisian-style icon Nadège Winter and the U.K.-based charity TRAID to put a contemporary feminine twist on the classic Timberland® yellow boot. The brand sourced material from TRAID, which collects discarded scraps from clothing manufacturers and retailers. Nadège Winter then personally selected pieces of fabric to make every pair a unique creation. With only 1,600 pairs in key outlets across four European countries, the Nadège Winter Earthkeepers® collection is creating a big stir on social networks and blogs, registering more than 23 million impressions on year-end.

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One key material is recycled polyethylene terephthalate — commonly known as PET — the plastic used to make water and soda bottles. Timberland® products use many different materials that incorporate recycled PET, including SmartWool® faux shearling (made from merino wool and recycled PET), Polartec® fabric and Bionic™ trims. The Timberland® brand has even developed its own sustainable materials: wool leather.

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SUSTAINABILITY: The Timberland Brand Walks The Talk

With a 40-year commitment to sustainability in both words and actions, the Timberland® brand has the credibility to engage with consumers in an authentic and environmentally responsible way.

LEED Certification

Timberland is the first company to achieve the LEED Retail certification for mall-based stores.

42%

Green Rubber™ Compound

A material made from 42 percent recycled rubber used in the brand’s outsoles.

S. CAFÉ

Fabrics made from recycled polyester with recycled coffee grounds added.

59.2%

59.2 percent of the Timberland® brand’s footwear contains recycled materials. This represents 58.6 percent of the total footwear production shipped in 2011 (excluding licensed footwear).

Nutrition Label With Green Index®

The first of its kind for the retail industry, the nutrition label communicates corporate level information on environmental impact while the Green Index® measures product-specific information.

100%

Share of the Timberland® brand’s footwear boxes and tissue made from recycled materials.

4,056,296

Pounds of recycled, organic and renewable materials used in Timberland® apparel in 2011.

Gold- or Silver-Rated Tanneries

Those tanneries with the highest rating of environmental performance as assessed by the Leather Working Group, an organization that maintains a protocol of the environmental performance of tanners. 92.3 percent of the leather sourced for footwear by the Timberland® brand comes from a gold- or silver-rated tannery.

70%

ReNet® Nylon

Made of 70 percent recycled nylon from materials, such as fishing nets, ropes salvaged from the ocean and post-industrial waste.
Lee Asia: From Horseback to Fixed-Gear Bikes

Lee® brand history has tremendous power with Chinese consumers, giving the Lee® brand, founded in 1889, a competitive advantage. This advantage is multiplied by VF’s deep research into consumer insights, which enables the Lee® brand to uncover locally relevant ways to connect new products to its heritage and ensure differentiation in an increasingly crowded market.

Inspired by the emergence of the fixed-gear bike culture among Chinese youth consumers in fast-growing urban centers, the Lee® brand has created an entirely new collection of apparel, including Urban Riders jeans, that connects back to the brand’s horseback-riding heritage.

One of the Lee® brand’s most famous products, for example, is the 1933 Storm Rider® jacket—a blanket-lined jacket designed for horseback riders. In 2012, Lee China released an entirely new Storm Rider® jacket updated for a different consumer in a different time with a different need.

By today’s standards, the original Storm Rider® jacket was very thick and bulky, so the Lee® brand developed a new Storm Stopper fabric—a advanced, bonded material that is warm, but thinner and more flexible than the original.

“We are inspired by the Lee® brand’s unique heritage,” says David Tring, Director, Product, VF Asia Pacific. “But we give it a modern twist by adding performance and functionality. The jacket gives modern riders the protection against the weather they demand with a unique story that no other brand can tell.”

VF is home to two of the most iconic jeans brands in the world. More important than the story of how the Wrangler® and Lee® brands became global icons is the story of how they stay global icons.

The Lee® brand introduced the first zipper fly in 1926 in its legendary 101Z jean, and was the first brand to create jeans specifically for women with the 1949 Lady Lee Riders® jean. In 1947, the Wrangler® brand created the 47MWZ jean, a blockbuster product so successful that it remains part of the cowboy “uniform” to this day.

Behind each historic product is a hidden story of a commitment to innovation, based on understanding consumer needs and creating new products to meet them. It’s a commitment that continues to this day.

“We’ve learned over the years that nothing beats incorporating real-time consumer feedback into the product development process, every step of the way,” says Tom Waldron, Vice President, Mass Brands, Jeanswear Americas. “The insights we get from constant contact with our core Wrangler® brand consumers have been invaluable in helping us deliver the style and functional benefits they want.”

Together, the Wrangler® and Lee® brands have more than 180 years of combined history of consumer-centric product innovation. It’s a living history that continues today with a unique strategy: the Wrangler® and Lee® brands grow as global icons by focusing on creating products for the unique needs of each regional market. This decentralized approach is one that only a company with the reach and resources of VF can execute. And it’s working, with both brands stronger than ever and poised for continued growth.

Storm Rider

The original Lee® Storm Rider® jacket, designed in 1933 for horseback riders, was thick and bulky to keep them warm and dry in the backcountry. In 2012, the Lee® brand re-interpreted this classic product for a new audience—bicycle riders in China.

It’s now sleek, thin, and even warmer. It marks the Lee® brand’s first use of high-performance bonded fabrics with denim.

RE-MADE TO LAST

A focus on consumer-centric innovation drives the Wrangler® and Lee® brands to constantly invent new products and reinvent older ones.

**Lee Asia: From Horseback to Fixed-Gear Bikes**

Lee® Storm Rider® Jacket in China

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The Lee® Brand North America: A Fit So Perfect, It’s Patent-Pending

Les™ “Platinum Label Collection in North America

When the Les™ brand designers set out to create Platinum Label, a complete collection of denim exclusively for department stores, they performed extensive research with women at every stage of the design process. They analyzed body-shape data from 5,000 female body scans, then tested each new fit with more than 300 women of all shapes and sizes across the country. The end result? Flattering fits that consumers love, incorporating slimming innovations — “Tummy Slimming, Bottom Shaping and No Gapping” — that the brand has developed during the last few years.

The collection’s standout is the Perfect Fit Jean with the Lee™ brand’s patent pending “fits and shaped” technology. The jeans are specially made with a mesh panel developed with the help of outside fabric scientists. The mesh panel, marketed as Shapetastic™, shapes the tummy while also providing lift and shape to the backside.

The Lee™ Brand Europe: Bringing Affordable Stretch to Some of the World’s Most Discerning Denim Consumers

Lee® Stretch Deluxe Jean in Europe

In the face of challenging economic conditions, the Les™ brand women’s business in Europe delivered double-digit revenue growth in 2012. A key driver was the launch of Stretch Deluxe, a new premium-quality jean that helps women look their very best — without a premium price.

“The Les™ brand pioneered the art of making great-fitting jeans for women starting in the 1940s, and we want to continue that tradition,” says Gilles Larmannier, President, Les™ brand, Europe. “When women try on Stretch Deluxe jeans in our stores, they love the way they feel.”

That feeling comes from Stretch Deluxe’s feminine fit, soft fabric and fashionability. The jean combines super-stretch, super-recovery design and smart design features that lengthen and slim the female silhouette. Forward side seams and slimmer pockets make the legs look longer and slimmer. A new back pocket placement flattens a women’s natural shape. And a new placement of the front buttonhole creates a smoother front appearance.

Wrangler® Western: Long Live Cowboys — In All the Places They Live Now

The Wrangler 20X™ 01 Competition Jean in North America

Fewer people now make their living by working the land, yet the Western ethos lives on as a powerful aspirational lifestyle for millions of American consumers. Through extensive consumer research, Wrangler® Western has created the Wrangler 20X™ 01 Competition Jean, a new jean for “the New Cowboy.”

The Wrangler 20X™ 01 Competition Jean features characteristics of work jeans, such as heavy-duty denim, a roomier leg and a boot cut, but is designed for consumers to wear for either work or play.

The Wrangler 20X™ 01 Competition Jean is endorsed by the Professional Rodeo Cowboys Association (PRCA) and worn by brand advocates such as professional rodeo athletes Austin Marine, Sibiana Alves and Kaycee Feild, along with football player Bear Pascoe and country music artist Cody Johnson.
VF PERFORMANCE UPDATE

VF’s record revenues, profit and cash flow from operations in 2012 were driven by a relentless focus on delivering the industry’s most innovative products, deepening relationships with our customers and consumers and driving operational excellence in every area of our business. Amid a year that included compounded impacts from two consecutive warmer-than-normal winters and a continued recession in Europe, we are quite pleased to have delivered yet another year of excellent returns to our shareholders.

- Revenues increased 15 percent to a record $10.9 billion from $9.5 billion in 2011. On a constant dollar basis, full year revenues increased 17 percent. The Timberland Company (consisting of the Timberland® and SmartWool® brands) accounted for 9 percentage points, or $907 million, of the revenue growth in 2012.
- Gross margin rose by 75 basis points to a record 46.5 percent, compared with 45.8 percent in 2011, reflecting the continued shift in our revenue mix toward higher margin businesses.
- Operating income rose 18 percent to $1.5 billion from $1.2 billion in 2011. Operating margin was 13.5 percent versus 11.5 percent in 2011, reflecting a 90 basis point negative impact from Timberland’s operations, in which margins are lower than VF’s average.
- Net income on an adjusted basis rose 16 percent to $1.1 billion, compared to $935 million in 2011. On a GAAP basis, net income rose 22 percent, to $1.1 billion, compared to $880 million.
- Adjusted earnings per share increased 17 percent to $5.03 per share. On a GAAP basis, earnings per share grew 25 percent to $4.70 per share.
- VF’s cash flow from operations reached a record $2.7 billion, which helped fund a 21 percent increase in our quarterly dividend rate, and marked the 40th consecutive year of increasing dividend payments to shareholders.
- Our strategy is engineered to deliver consistent, sustainable growth. Our diversified portfolio, brand-building expertise, global expansion efforts, strong partnerships with wholesale customers, and ability to connect with consumers through our direct-to-consumer business all contributed to strong top and bottom line results in 2012.

Coalition Performance

In Outdoor & Action Sports, we continued to build on our momentum with revenues rising by 29 percent. On an organic basis, excluding the results from Timberland, revenues rose 10 percent. Driving this result were The North Face® and Vans® brands, which both reached record revenues levels for the year growing 29 percent and 16 percent, respectively. And although still quite young in the context of VF’s portfolio, Timberland’s integration is on track with our expectations. In 2012, Timberland contributed $1.12 to our full year earnings per share. We remain very excited about helping this global brand realize its true potential. The profitability of our Outdoor & Action Sports coalition remains a highlight with a 23 percent increase in operating income to an operating margin of 17.4 percent helping this global brand realize its true potential. The profitability of our Imagewear, VF’s third-largest coalition, has now delivered 11 consecutive years of revenue growth, posting a 5 percent increase in revenues for the full year with strength on both sides of the business — Imagewear and Licensed Sports Group.

Sportswear coalition revenues were up 6 percent in 2012, with growth in both our Nautica® and Kipling® (US) brands. Both brands contributed to the year’s growth and continued improvement in profitability, combining to deliver a 30 percent increase in operating income and a 230 basis point improvement in operating margin to 12.6 percent. This improvement for both brands provides a foundation for what we expect to be a strong contribution to our portfolio for years to come.

And finally, the story in our Contemporary Brands coalition is also one of both top and bottom line growth. Excluding the John Varvatos Enterprises Inc. business, which we sold in April of 2012, Contemporary Brands achieved a 5 percent increase in revenues for the full year. Our 7 For All Mankind®, Splendid® and Ed Hardy® brands each achieved higher revenues during the year, reflecting growth in their direct-to-consumer and wholesale businesses. The 37 percent increase in operating income was quite impressive, representing a 360 basis point improvement in operating margin over the coalition’s performance in 2011.

 Positioned To Win

VF’s balance sheet continues to be in great shape. We ended the year with nearly $800 million in cash after buying back 2 million shares of our stock paying down all outstanding commercial paper borrowings and contributing more than $500 million to our pension plan. Our strong working capital discipline was also evidenced by a $19 million reduction in inventories year-over-year. And, we didn’t miss a beat in servicing our businesses’ needs; on-time shipping performance was at our highest level ever.

In summary, we are thrilled to have wrapped up another great year for VF and our shareholders, and we have tremendous confidence in our ability to deliver another year of strong, balanced and profitable growth in 2013. We are winning and we intend to keep winning.

Bob Shearer
Senior Vice President & Chief Financial Officer

VF Corporation vs. The S&P 500

<table>
<thead>
<tr>
<th>Year</th>
<th>VF Corporation</th>
<th>S&amp;P 500 Index</th>
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<tr>
<td>10</td>
<td>$1,040</td>
<td>$1,075</td>
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<td>11</td>
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Total Revenues By Coalition

<table>
<thead>
<tr>
<th>Coalition</th>
<th>Total Revenues (Millions)</th>
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<tbody>
<tr>
<td>Outdoor &amp; Action Sports</td>
<td>$1,076</td>
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<tr>
<td>Jeanswear</td>
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<tr>
<td>Imagewear</td>
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<tr>
<td>Sportswear</td>
<td>$1,400</td>
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<tr>
<td>Contemporary Brands</td>
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3-Year Coalition Revenues and Profits (Dollars Million)

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues</th>
<th>Profits</th>
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<tr>
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<tr>
<td>11</td>
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<tr>
<td>12</td>
<td>$1,400</td>
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</table>

Financial Highlights

- Revenues
- Earnings Per Share
- Dividends Per Share
- Cash Flow from Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenues (Millions)</th>
<th>Earnings Per Share (Dollars)</th>
<th>Dividends Per Share (Dollars)</th>
<th>Cash Flow from Operations (Millions)</th>
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<tbody>
<tr>
<td>10</td>
<td>$1,040</td>
<td>$1.12</td>
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</table>

3-Year Coalition Revenues and Profits (Dollars Million)


## Year Ended December 2012

### Financial Position

- **Total assets**: $7,220,286
- **Total liabilities**: $6,457,556
- **Stockholders’ equity**: $1,762,730

### Summary of Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Revenues</th>
<th>Operating Income</th>
<th>Net Income Attributable to VF Corporation</th>
<th>Earnings (Loss) per Common Share attributable to VF Corporation – basic</th>
<th>Earnings (Loss) per Common Share attributable to VF Corporation – diluted</th>
</tr>
</thead>
</table>

#### Operating Income and Net Income:

- **Operating income**: $201.7 million (pretax)
- **Net income attributable to VF Corporation**: $141.8 million (after tax)

#### Goodwill and Intangible Assets:
- **Impairment of Goodwill and Intangible Assets**: $114.4 million (after tax)

#### Operating Results:

- **2010**: $1.04 basic earnings per share, $1.03 diluted earnings per share.
- **2009**: $1.30 basic earnings per share, $1.29 diluted earnings per share.

#### Other:

- **Total capital**: $9,313,126
- **Return on Invested Capital**: 16.2%
- **Dividends per Share**: $1.09

### Other Financial Statistics

- **Current ratio**: 2.7
- **Working capital**: $465,371

#### Dividends and Earnings:

- **Cash dividends paid**: $325,259

### Consolidated Balance Sheets

#### Assets

- **Current assets**: $3,449,583
- **Property plant and equipment**: $2,316,107
- **Intangible assets**: $1,290,138

#### Liabilities and Stockholders’ Equity

- **Stockholders’ equity**: $1,762,730
- **Current liabilities**: $1,222,345

### Other

- **Total stockholders’ equity**: $1,762,730
- **Total current assets**: $7,702,589

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*Operating results for 2009 include a noncash charge for impairment of goodwill and intangible assets – $122.0 million (pretax) in operating income and $81.4 million after tax in net income attributable to VF Corporation. $0.03 basic earnings per share and $0.03 diluted earnings per share. Operating results for 2009 include a noncash charge for impairment of goodwill and intangible assets – $122.0 million (pretax) in operating income and $81.4 million after tax in net income attributable to VF Corporation. $0.03 basic earnings per share and $0.03 diluted earnings per share.

*Information presented for 2010 and 2009 excludes the impairment charges for goodwill and intangible assets in 2010 and 2009.

*Total capital is defined as stockholders’ equity plus short-term and long-term debt.

*The Timberland Company was purchased on September 13, 2011, and its results have been included since the date of acquisition.
CONSOLIDATED STATEMENTS OF INCOME

In thousands, except per share amounts

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
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</thead>
<tbody>
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<td>Costs and Operating Expenses</td>
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<td></td>
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<tr>
<td>Cost of goods sold</td>
<td>5,812,880</td>
<td>5,128,662</td>
<td>4,103,201</td>
</tr>
<tr>
<td>Marketing, administrative and general expenses</td>
<td>3,996,708</td>
<td>3,085,809</td>
<td>2,074,790</td>
</tr>
<tr>
<td>Impairment of goodwill and intangible assets</td>
<td>-</td>
<td>-</td>
<td>281,738</td>
</tr>
<tr>
<td>Total operating expenses</td>
<td>9,819,588</td>
<td>8,214,441</td>
<td>6,381,999</td>
</tr>
<tr>
<td>Operating Income</td>
<td>1,065,267</td>
<td>1,244,791</td>
<td>1,820,590</td>
</tr>
<tr>
<td>Interest income</td>
<td>3,353</td>
<td>4,778</td>
<td>2,536</td>
</tr>
<tr>
<td>Interest expenses (net)</td>
<td>(93,005)</td>
<td>(77,576)</td>
<td>(77,738)</td>
</tr>
<tr>
<td>Other income (net)</td>
<td>46,866</td>
<td>3,240</td>
<td>4,754</td>
</tr>
<tr>
<td>Income Before Income Taxes</td>
<td>1,421,875</td>
<td>1,164,743</td>
<td>750,212</td>
</tr>
<tr>
<td>Income Taxes</td>
<td>336,232</td>
<td>274,260</td>
<td>176,950</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,086,138</td>
<td>890,983</td>
<td>573,262</td>
</tr>
<tr>
<td>Net (Income) Loss Attributable to Noncontrolling Interests</td>
<td>(129)</td>
<td>(3,214)</td>
<td>(2,150)</td>
</tr>
<tr>
<td>Net Income Attributable to VF Corporation</td>
<td>$1,085,999</td>
<td>$888,969</td>
<td>$571,112</td>
</tr>
</tbody>
</table>

Earnings Per Share Attributable to VF Corporation Common Stockholders

Basic: $9.89 $8.13 $5.25
Diluted: 9.70 7.98 5.18

Weighted Average Shares Outstanding

Basic: 109,823 109,827 108,764
Diluted: 111,904 111,388 110,328

Cash Dividends Per Common Share

Basic: $3.03 $2.61 $2.43

CONSOLIDATED STATEMENTS OF CASH FLOWS

In thousands

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net income</td>
<td>$1,060,138</td>
<td>$890,393</td>
<td>$573,512</td>
</tr>
<tr>
<td>Adjustments to reconcile net income to cash provided by operating activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Impairment of goodwill and intangible assets</td>
<td>-</td>
<td>-</td>
<td>201,738</td>
</tr>
<tr>
<td>Depreciation</td>
<td>148,969</td>
<td>127,203</td>
<td>116,837</td>
</tr>
<tr>
<td>Amortization of intangible assets</td>
<td>47,929</td>
<td>41,798</td>
<td>39,373</td>
</tr>
<tr>
<td>Other amortization</td>
<td>41,950</td>
<td>28,824</td>
<td>17,186</td>
</tr>
<tr>
<td>Stock-based compensation</td>
<td>92,814</td>
<td>76,799</td>
<td>63,348</td>
</tr>
<tr>
<td>Prestation for doubtful accounts</td>
<td>19,264</td>
<td>12,490</td>
<td>7,441</td>
</tr>
<tr>
<td>Pension funding in excess of (less than) contributions</td>
<td>(20,186)</td>
<td>(46,346)</td>
<td>(45,850)</td>
</tr>
<tr>
<td>Deferred income taxes</td>
<td>(26,797)</td>
<td>(10,867)</td>
<td>(92,068)</td>
</tr>
<tr>
<td>Gain on sale of businesses</td>
<td>(44,485)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other, net</td>
<td>(40,932)</td>
<td>32,665</td>
<td>29,179</td>
</tr>
<tr>
<td>Changes in operating assets and liabilities, net of purchases and sales of businesses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts receivable</td>
<td>(111,571)</td>
<td>(154,467)</td>
<td>(12,954)</td>
</tr>
<tr>
<td>Inventories</td>
<td>87,658</td>
<td>(7,537)</td>
<td>(114,034)</td>
</tr>
<tr>
<td>Other current assets</td>
<td>32,382</td>
<td>(13,449)</td>
<td>(7,689)</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>(24,294)</td>
<td>(30,698)</td>
<td>(140,470)</td>
</tr>
<tr>
<td>Accrued compensation</td>
<td>(18,907)</td>
<td>2,448</td>
<td>27,817</td>
</tr>
<tr>
<td>Accrued income taxes</td>
<td>26,213</td>
<td>16,009</td>
<td>(14,049)</td>
</tr>
<tr>
<td>Accrued liabilities</td>
<td>(12,005)</td>
<td>(10,834)</td>
<td>50,899</td>
</tr>
<tr>
<td>Other assets and liabilities</td>
<td>40,861</td>
<td>65,540</td>
<td>50,899</td>
</tr>
<tr>
<td>Cash provided by operating activities</td>
<td>1,275,009</td>
<td>1,081,371</td>
<td>1,061,282</td>
</tr>
</tbody>
</table>

Investing Activities

Capital expenditures | (251,940) | (170,894) | (111,640) |
Business acquisitions, net of cash acquired | (1,298) | (2,027,065) | (38,380) |
Proceeds from sale of businesses | 22,519 | 134,012 | 19,264 |
Trademark acquisitions | - | (58,132) | - |
Software purchases | (30,989) | (20,102) | (13,610) |
Other, net | (8,239) | (9,741) | (16,949) |
| Cash used by investing activities | (220,291) | (2,460,033) | (180,480) |

Financing Activities

Net increase (decrease) in short-term borrowings | (269,010) | 230,824 | (9,741) |
Payments on long-term debt | (4,779) | (2,738) | (203,060) |
Proceeds from long-term debt | - | - | 898,450 |
Payments of debt issuance costs and hedging settlement costs | - | - | (55,336) |
Purchases ofCommon Stock | (107,282) | (7,430) | (411,838) |
Cash dividends paid | (333,229) | (285,722) | (284,281) |
Proceeds from issuances of Common Stock, net | 62,770 | 134,012 | 137,912 |
Tax benefits of stock option exercises | 47,231 | 39,353 | 8,109 |
Acquisitions of noncontrolling interests | - | (52,440) | - |
Other, net | (521) | (388) | (5,949) |
| Cash provided (used) by financing activities | (802,315) | 912,236 | (742,855) |

Effect of Foreign Currency Rate Changes on Cash and Equivalents | 4,039 | 15,406 | (17,280) |

Net Change in Cash and Equivalents | 256,333 | (451,011) | 60,690 |
Cash and Equivalents Beginning of Year | 341,228 | 792,239 | 731,149 |
Cash and Equivalents—End of Year | $597,461 | $341,228 | $792,239 |
### VF BRANDS AT-A-GLANCE

**OUTDOOR & ACTION SPORTS**

- **The North Face**
  - Founded: 1966
  - Number of Countries: 65
- **Timberland**
  - Founded: 1973
  - Number of Countries: 80
- **Vans**
  - Off the Wall® Since ’66
  - Founded: 1966
  - Number of Countries: 170
- **Kipling**
  - Bags and lifestyle essentials that lighten your day
  - Founded: 1987
  - Number of Countries: 67
- **Reef**
  - Just Passing Through
  - Founded: 1996
  - Number of Countries: 72

**JEANSWEAR**

- **Lee**
  - Founded: 1968
  - Number of Countries: 65
  - “It happens in baseball, it happens in Majestic.”
  - Founded: 1976
  - Number of Countries: 27
  - “It happens in baseball, it happens in Majestic.”
- **Horace Small**
  - Advantage By Design™
  - Founded: 1937
  - Number of Countries: 12
- **Riders Lee**
  - Inspired by Travel®
  - Founded: 1968
  - Number of Countries: 2
- **Rustler**
  - Hard Working Jeans...Guaranteed®
  - Founded: 1965
  - Number of Countries: 3

**SPORTSWEAR**

- **NAUTICA®**
  - Takes You to the Water
  - Founded: 1983
  - Number of Countries: 75

**CONTEMPORARY BRANDS**

- **Ella Moss**
  - Fresh, Flirty and Fashion-Forward
  - Founded: 2001
  - Number of Countries: 23
- **Built to Resist®**
  - Founded: 1952
  - Number of Countries: 70
- **Built to Resist®**
  - Founded: 1952
  - Number of Countries: 70
- **Lee North America**
  - Cut What Fits®
  - Founded: 1889
  - Number of Countries: 65
- **Lee Europe**
  - A Lee Don’t Lie
  - Founded: 1973
  - Number of Countries: 80
- **Lee South America**
  - More Your Lee
  - Founded: 1987
  - Number of Countries: 67
- **Lucy**
  - Inspired by Travel®
  - Founded: 1987
  - Number of Countries: 65
- **Wrangler Western**
  - Long Live Cowboys®
  - Founded: 1952
  - Number of Countries: 70
- **Wrangler Europe**
  - We Are Animals®
  - Founded: 1984
  - Number of Countries: 72
- **Wrangler South America**
  - Comfort Even More Comfortable
  - Founded: 1966
  - Number of Countries: 170
- **Bags and lifestyle essentials that lighten your day**
  - Founded: 1987
  - Number of Countries: 67
- **Built to Resist®**
  - Founded: 1952
  - Number of Countries: 70
- **Built to Resist®**
  - Founded: 1952
  - Number of Countries: 70

**IMAGERY**

- **ImageWear**
  - Designed for its fit, distinctive design and quality craftsmanship
  - Founded: 2003
  - Number of Countries: 1
- **Red Kap®**
  - Done right®
  - Founded: 1925
  - Number of Countries: 37
- **J. Crew**
  - Built to Resist®
  - Founded: 1984
  - Number of Countries: 3
- **Built to Resist®**
  - Founded: 1952
  - Number of Countries: 70

**Wearables**

- **Real Comfortable Jeans®**
  - Founded: 1947
  - Number of Countries: 76
- **Wrangler Western Long Live Cowboys®**
  - Founded: 1984
  - Number of Countries: 72
- **Wrangler Europe**
  - We Are Animals®
  - Founded: 1984
  - Number of Countries: 72
- **Wrangler South America**
  - Comfort Even More Comfortable
  - Founded: 1966
  - Number of Countries: 170

**OPERATING COMMITTEE**

- **VF Brands**
- **VF Outdoor & Action Sports**
- **VF Jeanswear**
- **VF Contemporary Brands**
- **VF Imagery**
- **VF Wearables**

**Officers of the Board**

- **Eric C. Wiseman**
  - Chairman, President & Chief Executive Officer
- **Robert E. Scheerer**
  - Senior Vice President & Chief Financial Officer
- **Scott H. Baxter**
  - Vice President & Group President — Sportswear Americas & Imagewear
- **Steven E. Rendle**
  - Vice President & Group President — Outdoor & Action Sports Americas
- **Karl Heinz Salburger**
  - Vice President & Group President — International
- **Bradley W. Batten**
  - Vice President — Controller & Chief Accounting Officer (retired)
- **Stephen F. Dall**
  - Vice President — Strategy & Innovation
- **Michael T. Gannaway**
  - Vice President — VF Direct/Customer Teams
- **Thomas A. Glaser**
  - Vice President & President — Supply Chain
- **Laura C. Meagher**
  - Vice President — General Counsel & Secretary
- **Scott A. Roe**
  - Vice President — Controller & Chief Accounting Officer
- **Martin S. Schneider**
  - Vice President — Business Development
- **Franklin L. Tenkelsen**
  - Vice President — Human Resources
Performance Product Adds Power to Nautica

The Nautica® brand launched a raft of new products with a water-oriented performance dimension to differentiate the brand and provide new value to consumers. Features such as moisture wicking, water repellence and breathability were introduced across a wide range of products, including Nautica’s signature Deck Shirt, outerwear, swimwear, shirts, pants and knits. Fashion and function apparel that blends style and performance now accounts for 35 percent of the brand’s assortment.

LICENSING SPORTS GROUP (LSG)

First and Fashion

Once upon a time, the philosophy of women’s licensed sports apparel was “shrink it and pink it.” Today, VF designs National Football League apparel that balances fashion and fanwear. The result is a big win: VF’s new “First and Fashion” women’s line led to double-digit sales gains in 2012.

Brompton Road, London

The Kipling® brand brought together its design teams from North America, Europe and Asia to create a new global retail concept. After the new design was installed, the brand conducted two weeks of consumer intercepts at point-of-sale to gain real-time feedback that will be used to refine the design.

Rock & Republic: Exclusive for Kohl’s

VF is constantly strengthening its relationships with customers by understanding what’s important to them and bringing them brands and products that no other company can offer. The Rock & Republic® brand, exclusively for Kohl’s, is the latest example. VF acquired the Rock & Republic® brand, one of the original premium L.A. lifestyle denim brands, in 2011. In February 2012, the Rock & Republic® brand launched at 1,100 Kohl’s stores and at Kohls.com. The launch has already significantly exceeded plans—and other major retail customers have already approached VF to create similar partnerships.

May the Best Bag Win

Young consumers carry world-changing ideas and ambitions in their Eastpak® brand bags. “Bag in Town”—an online design competition in collaboration with the Instituto Europeo de Design (IED)—gave them the opportunity to focus their creative energies on the bag itself. Designers in 40 countries submitted 400 ideas for new bags. Six were selected to be made into prototypes and 60,000 votes were cast online to choose the best design. The winning design, called AW2B, features built-in padding that can be inflated to provide extra protection for laptops, tablets and cameras, or deflated for extra storage capacity. The AW2B bag will be part of the Eastpak® brand’s 2013 collection and marketed worldwide. It will be the first time the brand has ever sold a product created by one of its consumers.

Brand on Fire

The Bulwark® brand released 451°, a stunning and thought-provoking eight-minute film that focuses attention on one simple fact: people are not fireproof. The film shows paper sculptor Jeff Nishinaka constructing an elaborate tableau of an industrial scene. In the second half of the film, the sculpture is set on fire. The film, which The New York Times called “an unusually arty approach,” successfully engages customers in a way that elevates the discussion about fire safety in the industrial workplace. It’s a compelling reminder that safety matters because lives are at stake. The video has been viewed more than 100,000 times online—an amazing response to a business-to-business industrial safety brand.
Reef Reaches Beyond the Beach
The Reef® brand launched two new footwear
collections in 2012 designed to address the
unmet needs of consumers. The Reef® REEVL
Collection, for men offers more flexibility and
more style. “The REEVL Collection is a premium,
upcycled footwear collection that supports a
meaningful traveler’s need for style and comfort,”
says PC Connell, Director, Marketing. The Reef®
Bella Costa Collection for women, featuring
premium leathers and textiles, is a joint
collaboration with artisans in developing countries.
A brushed outside construction offers women
something more sophisticated than the average
beach shoe. “The launch of Bella Costa opens
the door to so many more new things,” says Kelley
Bruemmer, Director, Women’s Footwear.

Flattering Fit Solutions
During the holiday season, Reef® launched
the Men’s and Women’s HyFi collection, which
features a unique, bi-component fabric that allows
protection to the user. The HyFi midlayer is versatile
as running and skate skiing.

Patented Perfection
The lucy® brand introduced an innovative pant
with a patented design called the Perfect Booty.
This new product is the latest result of the brand’s
active engagement with women and crafting solutions
for their needs. The Perfect Booty pant
will anchor the brand’s repositioning to consumers
in 2013, positioning the lucy® brand on a premium
antioxidant-performance brand and revitalizing its
appeal to women.

And the Winner Is… Smartwool
SmartWool Divide Jacket: Winner of a
“Gear of the Show” award at 2012 SnowSports
Industries America Show.
SmartWool replaces down by using wool as insulation
in a lofted application. The garment capitalizes
on the benefits of merino next to the skin and are
among the best insulation solutions on the market.

Men’s HyFi Hoodie: Winner of a 2012 Men’s Journal
“Gear of the Year” award.
HyFi is a unique, bi-component fabric that allows
merino to be placed next to the skin, while the
nylon-faced portion of the fabric on the outside of
the garment provides wind resistance and greater
protection to the user. The HyFi midlayer is versatile
for use in numerous cold weather activities, such
as running and skate skiing.

Let’s roll. Let’s carry. Let’s do both.
The Eagle Creek® brand’s revolutionary Flip Switch
wheelie backpack has an innovative feature:
zip-away backpack straps and top bail that cleanly
store in the bag’s front panel (rather than the back)
for a better carry. The result is a bag that combines
the key features of a rolling bag and a backpack—
without compromise.

2012 VF-reported
25% growth
in its direct-to-consumer business

Pick 2

In 2012, VF reported
25% growth
in its direct-to-consumer business

Double
Digit
Sales increase
of major league baseball jerseys

Pick 3

A total of
350 partnership doors are planned by 2017.

Pick 1

29% increase
in VF’s international
revenues* in constant dollars

Pick 4

Napapijri Partners Up
The Napapijri® brand expanded its successful partnership store initiative in its home territory of
EMEA, reaching 145 doors. This strategy allows the Napapijri® brand to present its premium
ingenuity, creativity and artisanal values, while expanding its retail presence and brand awareness.

Pick 5

Wearing One Million
Whether It’s a Player or a Brand
VF’s Licensed Sports Group (LSG), which includes
the Majestic® brand, brand success by creating
new categories and breathing fresh relevance
into older ones. The Majestic® brand drives double-
digit sales increases of Major League Baseball jerseys with a combination of new designs and a
“Wear Your Hero” campaign launch that reminded
fans why they wear jerseys in the first place.

Pick 7

JanSport Loves Benny Gold
The JanSport® brand teamed up with San
Francisco-based Designer and Retailer Benny Gold
to create a one-of-a-kind collection that is
deeply rooted in art, design and skateboarding.

Pick 6

Splendid Loves New York
The Splendid® brand opened three stores in 2010,
five in 2011 and eight in 2012. Most notable is its
brand’s Soho store, its first in the Northeast. “Our
brand’s anchor is in Los Angeles,” says Jonathan
Saves, President & CEO, Splendid® & Ella Moss
brands. “Having a store in New York, with its
traffic volume and international presence, along
with being able to present the product in such a
unique way, is very special to us.”

Pick 8

Horace Small Responds to the Needs of First Responders
The Horace Small® brand had its most
successful product launch in eight years with
New Guardian™ Plus. The line combines
innovation in fabric and garment design to
improve comfort, mobility and functionality for
law enforcement and first responders.

Pick 9

Change a Shirt, Change a Brand
One new product, the Crew Shirt, has transformed
the Majestic® brand. With purpose-designed and innovative fabric technology, the shirt
paved the way for the Red Kap® brand to create
and own a new category of workwear—performance
workwear. In 2013, the brand will continue to
expand its reach in the automotive industry through
distribution with AutoZone and a partnership with
West Coast Customs.
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LICENSED SPORTS GROUP (LSG)

A look around the world of VF
Star Power Behind the Camera and Designer’s Table

Most apparel brands put celebrity endorsers in front of the camera. The 7 For All Mankind® brand took a different approach in 2012, enlisting Oscar®-nominated Actor and Filmmaker James Franco to direct a series of fashion films for the brand. The films have been viewed more than 7 million times on the brand’s YouTube® channel and on Tudou (China). Franco also created a collection of limited edition T-shirts, his first for any brand, that feature some of the more than 3,100 Polaroids taken by the artist during his film shoots.

In 2013, the campaign will expand significantly, with a new twist enabled by technology and social media. The brand is creating an interactive experience that will allow consumers to view the story one part at a time and vote on how they want it to unfold. These new films engage its millennial consumers and build brand affinity.

Concept/Design
And Partners, NY
andpartnersny.com
Illustrations
Oliver Barrett
J Knight Photography

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MADE TO LAST: 5 Powerful Brands That Never Stand Still

A Snapshot Of Other VF Brands On The Move