

SINCE 1912

L.L.Bean

OUR STORY

L.L.Bean is proud of its heritage and commitment to customer satisfaction. We are pleased to present the following background information about our company.

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L.L.Bean Boots

COMPANY HERITAGE

BEGINNINGS: 1912 TO 1959

In 1911, an avid outdoorsman named Leon Leonwood ("L.L.") Bean returned from a hunting trip with cold, damp feet and a revolutionary idea. L.L. enlisted a local cobbler to stitch leather uppers to workmen's rubber boots, creating a comfortable, functional boot for exploring the Maine woods. This innovative boot – the Maine Hunting Shoe® – changed outdoor footwear forever and began one of the most successful family-run businesses in the country.

L.L. began his business by working out of the basement of his brother's apparel shop. In 1912, he obtained a mailing list of nonresident Maine hunting license holders and prepared a three-page flyer that boldly proclaimed, "You cannot expect success hunting deer or moose if your feet are not properly dressed. The Maine Hunting Shoe is designed by a hunter who has tramped the Maine woods for the last 18 years. We guarantee them to give perfect satisfaction in every way." The public could not resist the commonsense logic and genuine enthusiasm of his appeal.

One hundred orders came in for his new product. However, L.L. did not meet with immediate success. The rubber bottoms separated from the leather tops and 90 of those first 100 pairs were returned. Although it nearly put him out of business, L.L. kept his word and refunded the purchase price. He borrowed more money, corrected the problem and, with undiminished confidence, mailed more brochures. L.L. had learned the value of personally testing his products, of honest advertising based on firm convictions and of keeping the customer satisfied at any cost.

L.L.Bean, Inc., quickly established itself as a trusted source for reliable outdoor equipment and expert advice. The small company grew.

Customers spread the word of L.L.Bean's quality and service. L.L. built on his success using all company profits for advertising. He was so intent on building his mailing list that Maine writer and Freeport resident John Gould was inspired to say, "If you drop in just to shake his hand, you get home to find his catalog in your mailbox."

You cannot expect success hunting deer or moose if your feet are not properly dressed. L.L. Bean



Boat and Tote Bag

L.L. focused on the essentials. Employees also understood that the business of L.L.Bean was to provide high-quality products backed by excellent service. As Leon Gorman, grandson of L.L. and company president from 1967 to 2001, has said, "Word-of-mouth advertising and customer satisfaction were critical to L.L.'s way of thinking. To hear that one of his products failed was a genuine shock to his system. That customer was a real person to L.L. and he'd put his trust in the L.L.Bean catalog."

When L.L. Bean started his company, his view of serving the customer was as revolutionary as his product. L.L. said, "A customer is the most important person ever in this office – in person or by mail." Whether seeking expert advice, purchasing goods, returning or exchanging anything from L.L.Bean, customers quickly learned L.L.Bean wasn't like other companies of the day. L.L. set the standard for customer service in 1912 and his service-based philosophy is a fundamental belief that resonates throughout the company today.

With automobiles increasing in popularity and becoming more affordable throughout the 1920s, more people visited Maine to enjoy some of the finest recreational areas in the nation. L.L. continued to attract hunting, camping and fly-fishing customers with his trusted advice and commonsense approach. In a 1927 catalog he said, "It is no longer necessary for you to experiment with dozens of flies to determine the few that will catch fish. We have done that experimenting for you."

*A customer is the most important person ever in this office—
in person or by mail. L.L. Bean*

Steady growth continued. By 1934, the company had increased its factory size to over 13,000 square feet. The simple flyer evolved into a 52-page catalog. The company generated over 70% of the volume for the Freeport post office. By 1937, sales surpassed the \$1 million mark. Leon Gorman noted decades later, "The most important legacy of L.L.'s genius was the power of his personality. It transcended the buying and selling of products. His personal charisma based on down-home honesty, a true love for the outdoors and a genuine enthusiasm for people, inspired all who worked for him and attracted a fanatic loyalty among his customers."

L.L. never missed an opportunity to improve service. While the bulk of sales were generated by the catalog, hunters and visitors frequently dropped by Freeport. A night bell allowed the late-night visitor to call a watchman or even L.L. himself. In 1951, L.L. opened the store 365 days a year, 24 hours a



Original Field Coat

day proclaiming, "We have thrown away the keys to the place." To this day, there are no locks on the doors of the flagship store in Freeport.

A TIME OF GROWTH: 1960 TO 1999

As disposable incomes went up and the interstate highway system made travel easier, L.L.Bean aligned itself with the growing outdoor recreation market. The "Back to Nature" movement brought a boom in backpacking and camping that also brought more business to the L.L.Bean catalog and store.

Leon Gorman, L.L.'s grandson, joined the company in 1960. According to Leon, L.L. had "established an image that was as broad in its appeal and as enduring in its acceptance as any in marketing history." Despite this, significant challenges lay ahead. When he first came to work at L.L.Bean in 1961, the average employee age was 60 and sales had leveled off at around \$2 million.

In 1967, Leon Leonwood Bean passed away at the age of 94. Some of those closest to the company wondered if it could go on without L.L.'s strong influence. Fifty thousand letters of condolence from customers all over the country poured into Freeport, noting the accomplishments of the man TIME magazine once hailed as "The Merchant of the Maine Woods." The overwhelming public response helped bolster employees' determination to build on L.L.'s success.

Leon Gorman took over as company president in 1967 and led the company's transition into a modern, world-class organization. He studied old catalogs, talked with long-time employees and vendors and immersed himself in learning about L.L.Bean products and markets. He formalized the company's customer service approach, revitalized its leadership and updated compensation policies. The old mailing list (fewer than a million names) was converted to a computerized database. Manufacturing moved to an updated facility, located about a mile from the original building. A 110,000-square-foot distribution facility was built on nearby property in 1974, then expanded again in 1979 to a 310,000-square-foot facility with over a mile of conveyer belts.

Poised for success, Leon Gorman and L.L.Bean continued to find innovative ways to better serve the company's customer base. In 1976, the introduction of

The number of catalog shoppers increased when they found they could connect with L.L.Bean 24 hours a day, 365 days a year.



Wicker Creel

credit card services made it easier to shop. The 24-hour-a-day, 365-day-a-year service through both the catalog and store enabled an increasing number of catalog shoppers to connect with L.L.Bean. The first full-color catalog was published in 1979.

Rapid growth and expansion continued into the 1980s. In the early 80s, the company added fitness centers and walking trails to encourage employees to achieve and maintain good health. Employees also have the opportunity to enjoy active outdoor pursuits including fishing, kayaking, hiking and skiing at a group of Maine sporting camps that the company purchased in 1981.

In 1985, a toll-free phone number was added in response to the increasing number of customers shopping by phone. Customer contact centers were added in 1985, 1988, 1997 and 2005, increasing the company's capacity to answer the millions of contacts received each year. As L.L.Bean celebrated its 75th anniversary in 1987, the company employed almost 2,000 year-round workers and another 1,000 during its peak season.

In 1988, L.L.Bean opened its first liquidation outlet in North Conway, New Hampshire, to more efficiently liquidate discontinued merchandise at a significant value to customers. More outlets are being added annually. Visit [L.L.Bean Outlets®](#) for locations.

In 1989, L.L.Bean Manufacturing moved into a new facility that incorporated ergonomically designed systems. Ergonomic workstations were also introduced into all other areas of the company.

Also in 1989, a 40,000-square-foot addition to the flagship store in Freeport, Maine, provided more room to display a growing number of tents, boats and other popular products. In 1992, the company expanded its international business presence to include a store in Japan. And in 1995, L.L.Bean began its expansion into the electronic commerce market by launching [llbean.com](#).

2000 TO TODAY

In July 2000, L.L.Bean extended its retail store presence beyond Maine for the first time when it opened a store in McLean, Virginia. The company now operates additional stores in Maryland, New Jersey, Pennsylvania, New Hampshire, Massachusetts, Connecticut, New York and Illinois. L.L.Bean operates 14 retail stores outside of Maine and plans further retail expansion in the upcoming years. See retail stores for current store locations.



Wicked Good
Slippers

In 2001, with the company's tremendous success as his legacy, Leon Gorman assumed the role of Chairman of the Board, passing the company leadership to the first non-family member ever to hold the position. He named Chris McCormick, who began with the company in 1983, President and Chief Executive Officer.

L.L.Bean's e-commerce business has seen tremendous growth, with online sales surpassing phone orders for the first time in 2009. L.L.Bean customers have enjoyed numerous improvements to llbean.com since its initial launch, including interactive shopping guides, 24-hour live customer service and features such as order tracking, up-to-date product availability, customer order history and ratings and reviews. The site has been recognized with numerous industry awards for its ease of use, design excellence and outstanding customer service.

In 2006, L.L.Bean committed to building all new structures according to the US Green Building Council's LEED standards. The LEED Green Building Rating System is a national standard for developing high-performance, sustainable buildings. As of 2010, L.L.Bean has 12 LEED built buildings including retail stores and a data storage center.

Today, L.L.Bean is an industry leader in brand management, customer loyalty and marketing database systems. The company is a well-recognized world leader in the mail order and retail industries and has developed a multichannel approach to maintaining the same high level of service for customers in the US and abroad. Below is a sampling of awards received in 2010-2011:

- ***Ranked in the top three for five consecutive years by the National Retail Federation Foundation/American Express Customer Service Survey for top-rated multichannel retailer in customer service.***
- ***Ranked #1 Bloomberg BusinessWeek Customer Service Champs.***
- ***Catalog of the Year for 2010 in the 25th Annual Multichannel Merchant Awards. L.L. Bean also took the Cross Channel Merchant of the Year honors.***
- ***ForeSee E-Retail Satisfaction Index Survey placed llbean.com among the top five Web sites for customer satisfaction and #1 in apparel.***
- ***Ranked #1 outdoor outfitter by Forrester for Website Functionality Benchmark.***
- ***Ranked #6 as one of New England's Most Powerful Brands for 2010 from Protobrand.***



L.L.Bean Outdoor
Heroes Award

In 2008, L.L.Bean announced the L.L.Bean Outdoor Heroes Award to recognize individuals who have made a significant contribution to creating, maintaining and teaching about, or encouraging the use of, recreational outdoor space. This award is given each year to a select number of individuals who are helping to preserve outdoor spaces and activities for all of us to enjoy.

L.L.Bean has long believed in the importance of creating and maintaining physical work environments that are clean, productive and hazard free. Our commitment to continuous improvement has been recognized by the US Labor Department's Occupational Safety and Health Administration (OSHA). Several facilities have achieved OSHA's prestigious Voluntary Protection Program (VPP) status for making safety and health a top priority in the workplace. OSHA recognized L.L.Bean's ergonomic and stretch break program and also noted a strong, creative health and safety culture among employees. The VPP provides an opportunity for L.L.Bean to develop and maintain effective employee protections beyond OSHA requirements. L.L.Bean plans to have more sites VPP certified in the future.

L.L.BEAN TODAY

CORPORATE INFORMATION

L.L.Bean, Inc., has been a trusted source for quality apparel, reliable outdoor equipment and expert advice since 1912. The company is headquartered in Freeport, Maine, just down the road from the original store. The company has grown from a one-man operation to a global organization with annual sales of \$1.44 billion. In 2010, L.L.Bean employed over 4,600 people year-round. More than 9,000 people worked for L.L.Bean during the 2010 winter holiday season.

As L.L.Bean nears its 100th anniversary, it re-introduced everyday free shipping in March 2011 for all US and Canadian orders with no minimum purchase and no end date. This continues the tradition that Leon Leonwood started in 1912 by offering all L.L.Bean products in his catalog "post paid."

SALES

Direct Sales

In 2010, L.L.Bean produced over 50 separate catalog titles which were



Mountain
Light Tent

distributed to customers in all 50 US states and more than 160 countries. In 2010 over 11 million customer contacts were received, with over 127,000 L.L.Bean orders placed online in a single day in December – a new single day Web order record for L.L.Bean.

The company Web site, llbean.com, is among the top-rated e-commerce sites in the industry. Customers can purchase thousands of products online, including sporting goods, home furnishings and casual and active clothing. In addition, customers can search for information on state, national and international parks, send email to customer service representatives with questions about products, learn about the famous L.L.Bean guarantee, find out about the Outdoor Discovery program, get directions to the stores and share personal comments related to products through Ratings and Reviews and the newly launched “Share Your Story” feature on both llbean.com and L.L.Bean’s Facebook page.

Business-to-Business Sales

Since the late 1970s, L.L.Bean's Direct to Business division has served organizations, teams, clubs and companies of all sizes seeking high-quality products and L.L.Bean Gift Cards for use as premiums, incentives, outfitting and recognition programs.

L.L.Bean uses state-of-the-art equipment to customize products for its business customers, adding embroidery of logos and company names as well as monogramming, engraving and screen printing. L.L.Bean Direct to Business catalogs highlight popular products and gift programs.

PRODUCTS

L.L.Bean products are recognized around the world for their practical design and high quality. Many items have been in the product line for several decades, such as the Field Coat, introduced in 1924, and the Chamois Shirt in 1928. The widely recognized Boat and Tote® Bag was introduced in 1944 as Bean's Ice Carrier. Today, over 20,000 items are stocked for the catalog, Web site and stores.

In March 2010, L.L.Bean launched L.L.Bean Signature, a new apparel and accessories collection inspired by the company's nearly 100-year heritage. The collection features a modern fit and updated style and includes classic items from the company's archives. The collection is available online at llbeansignature.com, at the Freeport flagship store and at the Tysons Corner L.L.Bean retail store in McLean, Virginia.



Bigelow
Day Pack

The company devotes significant time and energy to product research, testing and development. This process includes lab tests, field testers and employee and customer feedback.

L.L.Bean operates its own independent test lab for scientific analysis of materials, construction and design. Prototypes for new products are tested, revised and retested in a continuous cycle until they meet customer requirements and L.L.Bean quality standards. Established products continue to be tested to maintain their high level of performance and quality.

The company also brings new and innovative products into the marketplace through extensive interviews with customers and subsequent concept development meetings that help ensure the products being designed will meet specific customer requirements for outdoor clothing and gear. L.L.Bean product expertise is also reinforced by a group of 1,300 independent field testers – adults and kids – who help assure product quality and performance. The company uses a combination of expertise and testing to enhance existing products even though many are already considered "best in class" based on customer feedback and objective consumer ratings.

"We get out into the field as much as we can at L.L.Bean and do the same things that our customers are doing," explained company President Chris McCormick. "We use our own products so that we have a better idea of how they're performing. This practice helps us identify better with our customers' experiences and needs."

OPERATIONS

Customer Service

While doing business today might differ from doing business in 1912, the philosophy of the company has not changed.

Leon Gorman, Chairman of the Board of L.L.Bean, stated, "A lot of people have fancy things to say about customer service, but it's just a day-in, day-out, ongoing, never-ending, persevering, compassionate kind of activity."

L.L.Bean President Chris McCormick remains firm in his commitment to providing superior service and excellent products. Each product is still guaranteed to provide 100% satisfaction. In Chris's words: "Superior customer service has always been and always will be the cornerstone of our brand and heritage and an attribute that differentiates us from the rest of the pack. It goes back to L.L.'s Golden Rule of treating customers like human beings." In



L.L.Bean
Retail Store

an increasingly competitive industry, L.L.Bean still stands out as the benchmark for customer service.

Now a multichannel business, L.L.Bean continues to serve customers with knowledgeable employees who are highly customer focused. Employees are trained to take the time each individual customer requires to feel valued whether through the mail, on the phone, by fax, over the Internet or in the stores. Each employee's goal is to ensure customers a consistently superior service experience, no matter which channel they choose to shop. Every channel has been built on the L.L.Bean values of honesty, quality, dependability and a guarantee of 100% satisfaction.

L.L.Bean's Customer Satisfaction department operates out of three customer contact centers in Maine, 24 hours a day, 365 days a year. The company employed nearly 2,500 customer service representatives during the 2010 peak holiday season. Customer service representatives answered more than 100,000 calls on their busiest day in December.

L.L.Bean began utilizing social media in 2008 as a means of engaging with customers and building brand awareness on sites such as Facebook, Twitter and YouTube. Ratings and Reviews were added to L.L.Bean product pages that same year providing customers the opportunity to comment on and recommend products. Social media chiclets were added to online product pages in 2009 allowing customers the ability to share content on various social media platforms. In 2010, L.L.Bean added "Share Your Story" to both llbean.com and its Facebook page as another opportunity for L.L.Bean fans to share their L.L.Bean experiences by including text, images and video.

The 200,000-square-foot L.L.Bean Flagship Store campus draws close to three million visitors each year.

Retail Stores

L.L.Bean's retail stores allow customers to experience the company's unsurpassed quality and knowledgeable service firsthand. The stores offer a great selection of quality products and the friendly, expert staff is always ready to help, whether you're looking for advice, help with easy returns or even a quiet fly-fishing spot.

The 200,000-square-foot L.L.Bean flagship store campus is located in Freeport, Maine, on the original site where L.L. Bean opened his retail business in 1917. Open 24 hours a day, 365 days a year, the flagship store draws close to three million visitors each year. It features a trout pond in the middle of the store



L.L.Bean Outdoor
Discovery Schools

and a 3,500-gallon freshwater aquarium that replicates a 25-foot-long section of streambed. Many customers visit the store to stock up on gear and apparel before exploring Maine's mountains, lakes and coastal regions.

The L.L.Bean Hunting & Fishing Store, adjacent to the flagship store, opened in November 2007. It houses L.L.Bean's largest-ever selection of hunting and fishing gear. In 2008, the store received LEED Silver certification from the US Green Building Council, becoming the first certified retail project in Maine. The Hunting & Fishing store is one of L.L.Bean's 11 LEED registered stores and its first to receive certification. Next door to the flagship store, the L.L.Bean Bike, Boat & Ski Store opened in May 2007.

Across from the flagship store, the L.L.Bean Home Store opened in 2009. The 33,000 square-foot store is reminiscent of a rural country store and includes features such as reclaimed wood floors, tin ceilings, chalkboard signs, and fixtures made from sawhorses, stackable wooden shelves and crates. The store showcases L.L.Bean's popular Home products, which include bedding, rugs, furniture, towels, cookware, food and decorating accessories. The store also offers handcrafted, vintage, one-of-a-kind items.

The seven-acre retail campus also includes the 1912 Cafe, Coffee By Design coffee shop, a 16-foot Bean Boot sculpture, a courtyard and Discovery Park, home to summer concerts and other exciting outdoor events.

L.L.Bean continues to demonstrate its commitment to its hometown of Freeport, Maine, by supporting the development of a 118,000-square-foot retail center and parking structure in the village center. Freeport Village Station opened in 2009 and houses 30 stores, including the new L.L.Bean Outlet®.

L.L.Bean has 14 retail stores outside Maine, with new stores opening each year. All L.L.Bean stores offer the same customer advantages that are the hallmark of L.L.Bean: quality products, superior customer service and a link to outdoor enjoyment and education through L.L.Bean's Outdoor Discovery and Walk-On Adventures.

L.L.Bean has 12 outlets in locations throughout New England and the Mid-Atlantic region of the US. Outlets feature an ever-changing variety of apparel, outdoor gear, home goods and more – all at discount prices. These products include discontinued and slightly irregular items and overstocks.



L.L.Bean Boots and Boat and Tote Bags are still produced in Maine

International Business

L.L.Bean opened its first international retail store in Tokyo, Japan, in 1992 and now operates 20 retail stores and outlets in several cities in Japan. In September 2008, L.L.Bean opened its first store in China and now has a total of 62 stores in China. There is also a large and growing customer base in Canada. L.L.Bean catalogs are sent to over 160 countries.

Outdoor Adventures

Celebrating its 31st anniversary in 2010, L.L.Bean Outdoor Discovery provides an opportunity for customers to try new and fun outdoor activities at an affordable price, with \$20 Walk-On Adventures at the company's retail stores. L.L.Bean Outdoor Discovery also offers a variety of courses, guided tours and multiday trips near the flagship store in Maine. Outdoor adventures include activities such as kayaking, fly casting, clay shooting, archery, biking and canoeing. In 2010 nearly 27,000 people participated in L.L.Bean's Outdoor Discovery programs.

Distribution

In 2007, the ability to fill customer orders was improved with the expansion of the technologically advanced Order Fulfillment Centers in Freeport, Maine. Our fulfillment centers, with the capacity to store over 10 million units of merchandise and to process an average of 50,000 customer orders a day, represent a familiar L.L.Bean goal: the best in customer service. In 2010, L.L.Bean shipped nearly 13 million packages including over 180,000 on a single day.

Manufacturing

Continuing the tradition, L.L.Bean still manufactures old favorites such as Bean Boots by L.L.Bean®, the Maine Hunting Shoe and the Boat and Tote® Bag, as well as newer items. The L.L.Bean manufacturing facilities, located in Brunswick and Lewiston, Maine, employed nearly 250 people in 2010.

L.L.Bean is a leader in the manufacturing industry with regard to product quality, ergonomics and health and safety programs. The Brunswick facility has received the Margaret Chase Smith Quality Award for its commitment to quality. The L.L.Bean manufacturing division has achieved OSHA's prestigious Voluntary Protection Program (VPP) status for making safety and health a top priority in the workplace.

Company President Chris McCormick remains committed to preserving the



APPALACHIAN TRAIL
CONSERVANCY



MAINE
AUDUBON



A selection
of L.L.Bean's
Conservation
Partners

company's manufacturing foundation. He said, "Manufacturing is where L.L.Bean started and our people take great pride in continuing this tradition, using the finest materials along with years of experience in quality craftsmanship."

CORPORATE CITIZENSHIP

L.L.Bean's commitment to being a responsible corporate citizen is rooted in our stakeholder concept and our core values.

L.L.Bean conducts business in an environmentally responsible manner, using the best environmental practices within our industry.

L.L.Bean is committed to environmental stewardship. We sell products that enhance our customers' relationships with the outdoors and continually seek to minimize the adverse impacts that producing, marketing and distributing these products may have on the environment. L.L.Bean conducts business in an environmentally responsible manner, using the best environmental practices within our industry. Efforts include promotion of sustainable forestry initiatives, recycling, energy conservation, greenhouse gas measurement and reduction, alternative fuel use, green building practices, sustainable products and packaging reduction. Examples include:

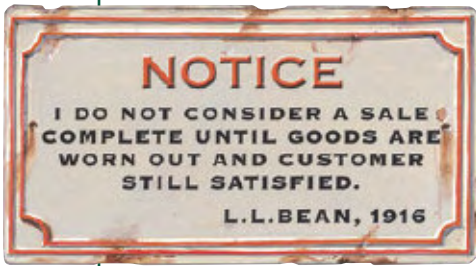
- All of L.L.Bean's new buildings are constructed in accordance with the US Green Building Council's LEED (Leadership in Energy & Environmental Design) program
- L.L.Bean encourages its employees to adopt environmentally friendly commuting options, such as carpooling, biking and walking and provides access to resources and incentives
- The company's fleet contains biodiesel trucks, buses and hybrid vehicles, and L.L.Bean supports a fleet of propane buses at Acadia National Park
- L.L.Bean recycles more than 83% of its waste, including 5,000 tons of cardboard, and donates unused office supplies and equipment to local schools

We encourage wise stewardship of natural resources and respect for the environment among all of our stakeholders.

L.L.Bean supports outdoor conservation and recreation and demonstrates its outdoor leadership by contributing to local, state, regional and national organizations that help to protect the environment and ensure access to recreational opportunities. In the last five years, the company has contributed nearly \$10 million to help promote these programs and develop partnerships that reflect the interests of our customers nationwide who are active stewards of the outdoors.

In particular, the company has a special interest in the Appalachian Trail. In addition to significant contributions to the Appalachian Trail Conservancy, the Maine Appalachian Trail Club and the Appalachian Mountain Club, L.L.Bean employees have volunteered over 35,500 hours in 30 years of maintaining an 18.5-mile section of the Appalachian Trail in Maine. L.L.Bean has contributed significantly to other important partners in conservation whose missions include land acquisition and expansion of stewardship programs. Among those projects are The Trust for Public Land's Katahdin Lake Campaign in Maine; the donation of a nine-acre park/green space in Freeport, Maine; The Nature Conservancy's efforts to preserve for recreational and aesthetic value the St. John River in northern Maine as well as the Debsconeag Lakes in the Katahdin region; the Appalachian Mountain Club's development of the Highland Center, an environmentally innovative center for outdoor adventure, learning and lodging in Crawford Notch, New Hampshire; the Student Conservation Association's initiatives to expand stewardship efforts for youth in our national parks; and protecting the air quality in Acadia National Park by supporting propane-powered buses through Friends of Acadia. These serve as examples of L.L.Bean's commitment to ensuring access to quality outdoor experiences.

In addition to local, state and national conservation groups, L.L.Bean is committed to supporting dozens of health and human service agencies, education partnerships and culture and arts organizations within the communities where the majority of employees live and work. L.L.Bean has donated nearly \$3.5 million to health and human service organizations in the past five years. Please see L.L.Bean's charitable giving guidelines for more information.



COMPANY VALUES

Much has changed since 1912, but some things remain the same. The values that the company's founder, L.L. Bean, was raised to believe in were simple and deeply ingrained. Nature is something to be revered. Family ties are a priority. Being neighborly is a matter of course. And "do unto others" is not just a saying but a way of life. When L.L. launched his company, he believed so strongly in the Golden Rule that he made it the foundation of his business.

L.L.'s Golden Rule

"Sell good merchandise at a reasonable profit, treat your customers like human beings, and they will always come back for more." — Leon Leonwood Bean

L.L. understood the value of a satisfied customer. Along with his Golden Rule, the 100% Satisfaction Guarantee has been in place since the first pair of Maine Hunting Shoes was sold in 1912.

GUARANTEED TO LASTSM

Our products are guaranteed to give 100% satisfaction in every way. Return anything purchased from us at any time if it proves otherwise. We do not want you to have anything from L.L.Bean that is not completely satisfactory.

L.L.'s philosophy concerning the value of a customer has also withstood the test of time. The following definition of a customer was a favorite of L.L.'s and is as critical to L.L.Bean's success today as it was during L.L.'s tenure:

What Is a Customer?

A customer is the most important person ever in this company—in person or by mail.

A customer is not dependent on us, we are dependent on him.

A customer is not an interruption of our work, he is the purpose of it.

We are not doing a favor by serving him, he is doing us a favor by giving us the opportunity to do so.

A customer is not someone to argue or match wits with. Nobody ever won an argument with a customer.

A customer is a person who brings us his wants. It is our job to handle them profitably to him, and to ourselves.

THE L.L.BEAN STAKEHOLDER CONCEPT

Leon Gorman clearly took his grandfather's lessons to heart. Early during his term as president, Leon introduced the "stakeholder concept." Leon felt strongly that as a values-based company, L.L.Bean should have as its purpose to add value to everyone who had a vested interest in the company. L.L.Bean's success depends on how well the company meets the objectives of its stakeholders. He described L.L.Bean's stakeholders as customers, employees, stockholders, vendors, communities and the natural environment.



COMPANY LEADERSHIP

LEON LEONWOOD BEAN (1872-1967)

One of Wall Street Journal's Top Ten Entrepreneurs of the 20th century, L.L. Bean was an innovator in the mail-order catalog industry. Born Leon Leonwood Bean on October 13, 1872, in Greenwood, Maine, he was the fourth of six children born to Sarah Swett and Benjamin Warren Bean. L.L. learned to love the outdoors and gained a strong work ethic and family loyalty from his parents in rural Maine. In 1884, shortly after Leon's 12th birthday, his parents died within four days of each other. Orphaned, the three youngest Bean children went to live with friends of the family.

At 13, L.L. went on his first hunting trip. The pleasure he gained from his time in the woods would last a lifetime. After attending Kent's Hill Commercial College, he moved to Yarmouth, Maine and worked as a clerk in brother Otho's shoe store. Thus began his retail career. In 1895, Otho opened a second store in Freeport, Maine, called Bean Bros. and hired L.L. to manage it. In 1898, L.L. married Bertha Porter of Freeport and started a family. He fathered three children, Lester Carlton (1900-1967), Charles Warren (1901-1971) and Barbara (1907-1985).

Still an avid outdoorsman, L.L. would hunt and fish at every opportunity. At that time no adequate footwear was available to keep a hunter's feet dry and warm in the cold, wet woods of Maine. In 1911, L.L. asked a local cobbler to sew a rugged leather upper to a waterproof rubber bottom and the Maine Hunting Shoe® was born. L.L. became a pioneer of direct marketing by selling his new boot through the mail and through his retail store.

With the growing success of the Maine Hunting Shoe, L.L. Bean began to develop rugged, comfortable clothing to wear in the outdoors. Still making time for hunting and fishing trips, he told his customers he would not sell merchandise he had not used himself. This commitment reinforced to his customers that his store was a reliable resource for outdoor recreational gear. The fact that he was an outdoorsman who not only developed and tested his products but also guaranteed them to be 100% satisfactory in every way, established him as one of the most respected names in the business.

By the 1930s, L.L. Bean carried clothing and equipment for a variety of outdoor pursuits – hunting and fishing, camping, skiing, snowshoeing and hiking among them. His original flyer had become a catalog mailed twice a year and he had established a million-dollar business.

During World War II, L.L. Bean was called to Washington to help the Pentagon develop and manufacture rugged products to support the troops in the field. With the growth of his business, his reputation for selling quality products at a good value became well known.

L.L. Bean ran his company until his death at the age of 94 on February 5, 1967. He attributed his long life and good health to the time he spent in the outdoors.



LEON A. GORMAN
CHAIRMAN OF THE BOARD, L.L.BEAN, INC.

Leon A. Gorman was born in Nashua, New Hampshire and was raised in Yarmouth, Maine. He graduated from Bowdoin College in 1956 and spent four years in the Navy before joining L.L.Bean, Inc. in 1960. He was appointed president of the company in 1967 following the death of his grandfather, L.L. Bean, who founded the company in 1912.

Soon after becoming president, Leon introduced the "stakeholder concept," which clearly linked L.L.Bean's success as a business to its important stakeholders such as customers, employees and the natural environment. In his 30 years as president, Leon Gorman led L.L.Bean from a \$4.75 million catalog company to over-a-billion-dollar multichannel enterprise. Leon firmly established L.L.Bean as a leader in the outdoors industry, offering high-quality equipment and apparel for outdoor-oriented customers that was backed by world-class service. In 2001, Leon Gorman was named Chairman of the Board, turning over his responsibilities as President and CEO to Christopher McCormick.

An outdoors enthusiast, Leon frequently tests the company's products on outdoor trips. Among the most notable was his ascent to Camp Three during the 1990 Mount Everest International Peace Climb, sponsored by L.L.Bean. Leon also enjoys his favorite outdoor pursuits closer to home including hiking the Camden Hills and Georges Highland Path in midcoast Maine, biking the carriage roads of Acadia National Park and grouse hunting and fly fishing in northern Maine.

Leon Gorman was inducted into the Direct Marketing Association Hall of Fame in 1992. Leon was a member of the 1997 Blue Ribbon Commission for the United States Postal Service, launched by the Postmaster General for addressing the future direction of the Postal Service. He was also a recipient of the USPS Partnership for Progress Award.

Leon has played a significant role in the conservation community through his leadership and contributions. Among the organizations he has been involved with are: Maine Audubon, Hurricane Island Outward Bound School, the Maine Chapter of The Nature Conservancy, the Appalachian Mountain Club and Land for Maine's Future. He and his wife, Lisa, have played a lead role in The

Nature Conservancy's St. John River Project, the Appalachian Mountain Club's capital campaign and fundraising efforts by the Student Conservation Association. He also demonstrates his commitment to the community through involvement in various national and state civic organizations such as the Boy Scouts of America, Bowdoin College and the United Way.

Leon Gorman has been a leader in public policy discussions about Maine's economy through his involvement in state organizations and initiatives. In 1997, he received the Navigator Award for Entrepreneur of the Year from the Maine Chamber of Commerce and Business Alliance. In 2001, the Maine Chamber of Commerce awarded Leon Gorman the Business Hall of Fame Award for compassion, courage and commitment in business leadership. Leon was selected to receive L.L.Bean's highest internal honor, the Bean's Best award, in 2001 to recognize his significant contributions to the company as a leader and mentor. In 2010 Leon Gorman received the prestigious Bowdoin Prize, the highest honor Bowdoin College bestows upon one of its members.

In 2006, Leon Gorman wrote a book about his four decades of experience as the leader of L.L.Bean, entitled L.L.Bean: The Making of an American Icon. The book gives a behind-the-scenes look at L.L.Bean's history and culture.



CHRISTOPHER J. MCCORMICK
PRESIDENT AND CEO, L.L.BEAN, INC.

Chris McCormick grew up in Bridgeport, Connecticut, one of six sons of an entrepreneurial father who ran, among other businesses, a commercial packaging company. Chris developed his interest in business early on and grew particularly fond of the family-owned aspect of his father's organization.

In 1977, after graduating from Fairfield University in Fairfield, Connecticut, he began his career in marketing and accepted a position as Media Buyer with Garden Way, Inc. He became Marketing Manager and remained with the company until 1983.

Chris was particularly drawn to L.L.Bean because it was a family-owned company bound by the principles of honesty, integrity, respect for people and a love of the outdoors. In 1983, he accepted the position of Assistant Advertising Manager for the company. In the years that followed, he earned a succession of promotions. In May 2001, upon Leon Gorman's move to Chairman of the Board, he became the first non-family member to assume the title of President and CEO of L.L.Bean, Inc.

Under Chris McCormick's leadership, L.L.Bean has emerged as an industry leader in brand management, customer loyalty and marketing database systems.

In 2000, Chris completed Harvard Business School's Advanced Management Program.

Chris McCormick is active in industry organizations, including serving on the board of directors for the National Retail Federation and the Mail Order Association of America. He has served on the Direct Marketing Association's board of directors and postal advisory boards. He has also represented the industry before the United States Congress.

Chris was a member of the campaign cabinet for the United Way of Greater Portland and serves as a member of the board of directors for the Maine Chapter of The Nature Conservancy.

An avid outdoorsman, he takes every opportunity to test L.L.Bean equipment in the field. Among his favorite outdoor activities are hiking and biking with his family.