



PEOPLESHERE

QUALITY | INTEGRITY | DIVERSITY

A CONCEPT FOCUSING ON COMPANY DIFFERENTIATION ATTRIBUTES

The theme *PeopleSphere* focuses on the Zale employee family as a whole, relative to the company attributes of quality, integrity and diversity. This approach uses imagery of diverse people in order to represent Zale Corporation employees, while applying illustrated enhancements to create a contemporary look that will appeal to employees of all generations and cultures.

CAMPAIGN ATTRIBUTES:

- Contemporary Illustrations of People
- Conservative yet Trendy Design
- Compelling Graphic Elements
- Reinforces Brand Equity



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ZALE CORPORATION

Color Palette



Fonts

Futura Book
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

Century Gothic Regular
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

Futura Bold
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
1234567890

Century Gothic Italic
ABCDEFGHIJKLMNOPQRSTUVWXYZ
abcdefghijklmnopqrstuvwxyz
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COMMUNICATION THEME CONCEPT

Employee Handbook Cover



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Welcome to Zale Corporation! When you joined the company, you joined a team of professionals that has made Zale Corporation the largest specialty retailer of fine jewelry in North America. For more than eight decades, people who have wanted fine jewelry have chosen to shop at Zale-owned stores. Our company enjoys an excellent national reputation based on the consumer trust established over the years with our customers. This trust is the result of guaranteed quality merchandise, innovative credit policies, precise business operations, and most of all, superior customer service.

Our goal remains the same as when Zale was founded in 1924 – to sell jewelry and satisfy the customer with the right product and service at the right time.

The continuing success of Zale Corporation requires the talent and teamwork of every employee. Whether you are a new team member or a seasoned employee, you are encouraged to become involved and to provide your unique skills and informed opinions in new ways that make a difference to the company's future. Zale strives to support you as an individual while offering you a challenging and rewarding career opportunity.

ZALE CORPORATION: PAST AND PRESENT

www.zalecorp.com

Zale History

Zale Corporation has a rich and colorful history that includes many noteworthy events and periods, from its humble beginnings to its current industry leadership. The company's history documents our past and provides us with a starting place to chart our future, of which you will know be a part.

Humble Beginnings

The first Zale Jewelers store opened in 1924 in Wichita Falls, Texas. Morris (M.A.) Zale and his co-founders, William Zale and Ben A. Updyke set the standard for Zale success in those earliest days. Zale Jewelers stocked small appliances, cameras, and cookware as well as fine jewelry. The beautiful diamonds and gold jewelry frequently attracted customers who came in for something small, friendly credit terms such as "penny down credit" or the \$10-week payment plan for diamonds rings, made the luxurious jewelry readily accessible to hard-working customers.

Growth and Diversification

The success of the Zale Jewelers operation was taken to other cities – Tulsa, Oklahoma, in 1928; Oklahoma City, Oklahoma, in 1929; and Amarillo, Texas, in 1934. By 1945, there were 13 stores, including newly acquired Cortright in Houston. The 1950s saw continued steady expansion of Zale and Cortright's stores. In 1959 there were 119 stores, and in 1960 the company passed the \$50 million sales mark. In 1961, Bailey Beals & Biddle joined the Fine Jewelers Outlet.

When the General Electric Company announced it had discovered a process for manufacturing synthetic diamonds in the early 1950s, Zale Jewelers began a period of diversification. The focus was on acquiring other specialty retailers including shoe, sporting goods, and drug stores. Zale Jewelers became Zale Corporation in 1965 to reflect the broader diversity of the new business.

The decade of the 1970s saw tremendous strength and growth. The number of stores increased by 52 percent from 1,002 stores in 1970 to 1,545 in 1980. These included stores in the United Kingdom and Canada. At the same time, sales tripled – from \$23.1 million in 1970 to \$69.6 billion in 1980.

The expansion was supported by opening buying offices in major jewelry centers around the world and manufacturing facilities in New York and Puerto Rico. Expansion of the company's retail jewelry business continued during the next six years, most notably with the acquisition of Gordon Jewelers in 1987 and Peoples Jewelers in 1992. At the same time, the company divested itself of shoe, sporting goods, and drug store operations.

Challenging Years

During the 1980s and early 1990s, Zale Corporation was faced with excessive debt incurred to support earlier business expansion, as well as the challenge of the 1990s recession. In July 1992, the company filed for Chapter 11 protection. However, we emerged from

bankruptcy in August 1992 and focused our efforts on strengthening our business.

Return to Pre-eminence

The goal of re-building the company included a commitment to the basics: quality merchandise, effective marketing, strategic store locations, and qualified employees. As a result, Zale Corporation experienced a "breakthrough year" in 1999 with annual sales that topped \$1.2 billion (up from \$920 million in 1994). That same year, Zale Outlet was launched, giving the corporate locations in 13 premier outlet centers in the United States. Expansion continued as the primary growth strategy with two major acquisitions: Peoples Jewelers of Canada in 1999 and Pricing Page, Inc. in 2000.

Zale Corporation Today

Zale Corporation is now a \$1.2 billion company and North America's largest specialty retailer of fine jewelry with more than 2,300 stores in the United States, Canada and Puerto Rico. Our back-to-basics approach has proven extremely successful and will continue to guide us as we chart our future prosperity.



www.zalecorp.com

COMMUNICATION THEME CONCEPT

Poster & Banner Series

"I had questions about Zale's credit union benefits, so I checked out the Zale internet site - I found answers to my questions in minutes."

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"When I needed to look about employee time off work, I looked in my employee handbook. Everything I needed to know was right there at my fingertips - it was that easy!"

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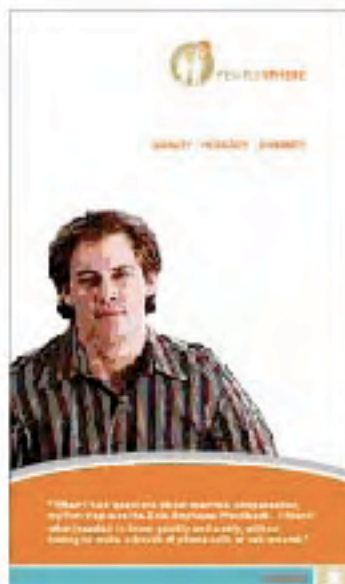


"When I had questions about overtime compensation, my first stop was the Zale Employee Handbook. I found what I needed to know quickly and easily without having to make a bunch of phone calls or sit around."

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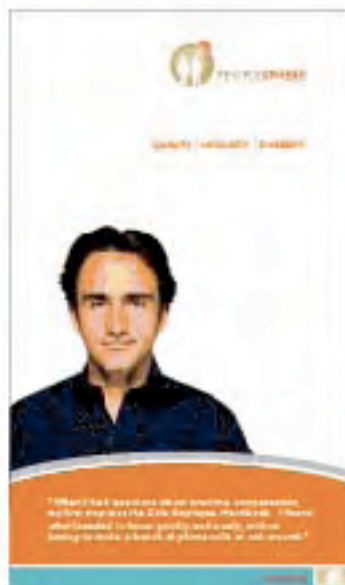
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To: John@zales.com
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Subject:

Attachments: None

Media




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