

MARY KAY

The Story of
Mary Kay Inc.



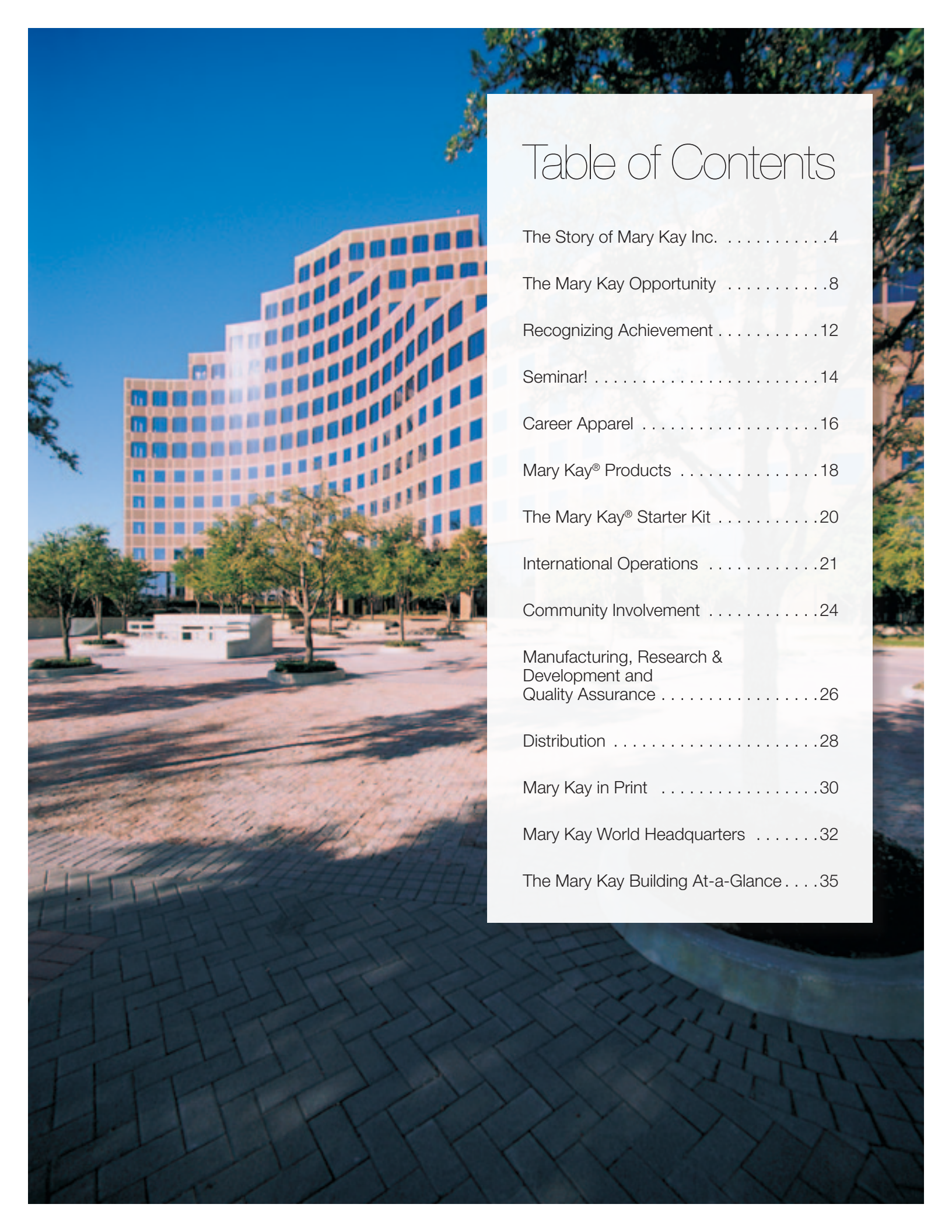


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The Story of Mary Kay Inc.

Making Dreams Come True for More Than 50 Years

There's no other company quite like Mary Kay Inc. There never has been, and it's unlikely there ever will be. What makes Mary Kay so different? It's not any one thing, but rather a combination of elements that has made the Company truly unique.

Unparalleled opportunity for women. The Mary Kay opportunity benefits hundreds of thousands of women every day.

Top-quality products that meet the needs of the consumers. Mary Kay has become a best-selling brand of facial skin care and color cosmetics in the U.S. by offering products that meet and anticipate the changing needs of consumers. Today's line offers more than 200 skin care, cosmetic and fragrance products. Mary Kay's manufacturing and distribution systems ensure the consistent top quality of these products and that they will be available when the Independent Beauty Consultants and their customers need them.

A teaching approach to skin care. Mary Kay Independent Beauty Consultants don't just sell products — they teach their customers how to use the products and offer their customers the opportunity to “try before you buy.”

A fundamental set of core values. Above all else, what sets Mary Kay apart is strict adherence to the principles on which Mary Kay Ash and her son, Richard Rogers, formed the Company. These are real standards against which Mary Kay measures every aspect of how it and the independent sales force do business. The first is simply the Golden Rule: “Do unto others as you would have them do unto you.” The second is a simple listing of life's priorities: “God first. Family second. Career third.”

It all began with one woman's dream. Mary Kay Ash spent a quarter of a century in direct sales, launching her career by selling child psychology books. She loved direct sales because it not only provided a good income, it gave her the flexibility she needed as a single mother to build a successful career while raising three children.

Gradually, however, she became disillusioned by the lack of real advancement opportunities for women in traditional direct selling companies. Eventually, in 1963, she decided to retire. That lasted a month. Setting out to write a book about her experiences in direct sales, Mary Kay created instead a marketing plan for a new kind of direct selling company. Next, she needed a product, which she found in a skin care line that she had used since the early 1950s but which had not been well-marketed. Committing her life savings of \$5,000, she decided to give her idea a try.

A month before the new venture was to open, Mary Kay's husband died. With all of her money spent or committed, she faced the decision of going back to work for someone else or forging ahead with her dream. The answer came from her 20-year-old son, Richard Rogers, who volunteered to quit his job to help launch the Company. As Mary Kay says: "When God closes a door, He always opens a window."

So, Friday, Sept. 13, 1963, Mary Kay, Richard and their first nine Independent Beauty Consultants opened the doors of a small storefront in Dallas, proudly displaying their line of nine beauty products on a shelf Richard had bought at Sears.

Thus began a chapter in American business history that has been studied at universities across the country.

Word spread rapidly about the quality of *Mary Kay*® products. Within a year, so many women wanted to become Independent Beauty Consultants that the Company created the position of Independent Sales Director to help educate and motivate these new Independent Beauty Consultants. A year later, Mary Kay had 21 Independent Sales Directors and 857 Independent Beauty Consultants.

There was a family flavor to the Company in those formative years. In addition to Mary Kay and Richard, her other son, Ben Rogers, served as Vice President of Merchandising until 1980. And her daughter, Marylyn, played a pivotal role in expanding the Company to the Houston market.

In just three years, the Company passed the \$1 million sales mark.

In 1968, just five years after opening its doors, the Company went public. Funds from this public offering fueled additional growth, permitting enhancements to independent sales force compensation and the addition of manufacturing and distribution facilities.

Also in 1968, Mary Kay Ash inadvertently created one of the most recognizable company trademarks in the world when she convinced a Cadillac dealer to custom-paint her car pink to match her lip and eye palette.

Mary Kay Independent Sales Directors immediately wanted to know how they could get their own pink Cadillacs, and the first five were awarded at the Mary Kay Seminar in 1969.



Mary Kay's Ten Show Week, 1975



Mary Kay as a Stanley Dealer



First Independent Beauty Consultants at Seminar 1967

The first Independent National Sales Directors were named in 1971 (originally called Area Sales Directors).

Mary Kay opened its first international subsidiary in Australia in 1971 and expanded to Canada in 1978.

In 1985, a management-led buyout returned the Company to private ownership. This strategic move enabled the Company to reinvest the money it was spending to be a public company on further improving product quality and enhancing the Mary Kay opportunity for Independent Beauty Consultants and Independent Sales Directors worldwide.

Mary Kay Ash inspired hundreds of thousands of women through her business know-how, dedication and spirit.

Few companies can boast the rich heritage that belongs to Mary Kay. From the vision of one woman to being one of *Fortune's* Most Admired Corporations in America and being listed in *The 100 Best Companies To Work for in America*, the Company continues to do what it does perhaps better than any other company in the world – make dreams come true.



The Company earns a quarter of a million dollars in its first year.



Debut of the first two Independent National Sales Directors, Helen McVoy and Dalene White, in 1971



The Mary Kay

Opportunity

A Journey of Self-Discovery, Financial Reward and Independence

Mary Kay was created with one objective: provide an open-ended opportunity for women – something virtually unheard of in American business at the time. It has succeeded in doing that to levels far beyond even Mary Kay Ash's dream.

At the heart of Mary Kay are the Mary Kay Independent Beauty Consultants, whose incomes depend directly on their personal sales activity.

It's difficult to generalize about the Mary Kay Independent Beauty Consultant: she might come from any conceivable background. She might be married, single, divorced or widowed. She may or may not have children. She's likely to be between 25 and 55, though many are younger and many are older. Mary Kay very well might be her full-time business, she may find it an excellent means to supplement her family income, or she may have started her Mary Kay business in addition to having another job.

She does, however, share a number of traits with most other Mary Kay Independent Beauty Consultants. She believes in herself and in her ability to accomplish what she sets out to do. Perhaps she brought this quality with her to Mary Kay, or maybe she learned it as part of the Mary Kay experience. She wants to succeed and is willing to work to do so. She is a woman who makes things happen, not one who lets things happen.

She knows that, with Mary Kay, the effort may sometimes be great, but so are the rewards. And she also knows that, with Mary Kay, her personal opportunity is limited only by her personal ability, effort and commitment — not by a preset formula.

She has her life in balance. She has studied Mary Kay Ash's credo, and she has made it her own. God first. Family second. Career third.

The opportunity hasn't always been there. Mary Kay Ash was born in an era when most women who wanted — or needed — to work had few job or career opportunities available to them. There were women role models in sports and entertainment, but not in the business world.

Women in the workplace were typically relegated to clerical posts and rarely allowed to advance. To make matters worse, they were often paid much less than their male counterparts to perform the very same tasks. And although women have more career choices today, many of these career choices involve inflexible schedules, inequities in pay and limited opportunity to advance.

For hundreds of thousands of women, Mary Kay has provided an attractive and rewarding alternative. Experience has shown that women are drawn to the Mary Kay opportunity because it offers them the opportunity to take charge of their lives by advancing at their own pace, managing their own hours, balancing their priorities and maximizing their earnings potential.

In Mary Kay, there are no "glass ceilings." Everyone is treated fairly, with honesty and integrity. All Independent Beauty Consultants enter the sales force on an equal basis. And the way to advance is to help others succeed. Through ability and initiative, any Independent Beauty Consultant can reach the highest status of achievement.

And there's a lot more to it than financial success. The intangible rewards are also important. A Mary Kay opportunity is a journey of self-discovery that enables many women to become more professional, self-assured and independent.

Within Mary Kay, a strong aura of "family" has grown since the very earliest days of the Company. This sense of camaraderie with similarly motivated women has

proven, time and again, to be a true source of strength to both the Company and to the Independent Beauty Consultants.

Most Independent Beauty Consultants begin their associations with Mary Kay as customers. They are introduced to the *Mary Kay*® products and learn about the Mary Kay opportunity at in-home parties.

From the start, parties have always been many events in one. An Independent Beauty Consultant's main purpose is to teach a personalized regimen of good skin care. Parties are also a learning experience for millions of women, a social occasion and the place where strong brand loyalty begins and long-term consumer buying relationships are established.

Although each Mary Kay Independent Beauty Consultant is in business for herself, she's never in business by herself. Before a new Independent Beauty Consultant conducts her first party, she learns the fundamentals of conducting a party, booking future parties, sharing the Mary Kay opportunity and managing her business to stay profitable. She begins by observing parties, attending an orientation conducted by her Independent Sales Director and studying Company educational materials.

But the learning doesn't end there. From Seminar to Career Conference to local workshops, ongoing events keep Independent Beauty Consultants abreast of the latest innovations in the cosmetics industry. Independent Beauty Consultants also have access to a continuing flow of educational materials and sales aids.

And, of course, she knows she can always turn to her Independent Sales Director, Independent National Sales Director and sister Independent Beauty Consultants for help, support and even motivation when needed. In brief, she knows she can count on Mary Kay just as Mary Kay counts on her.

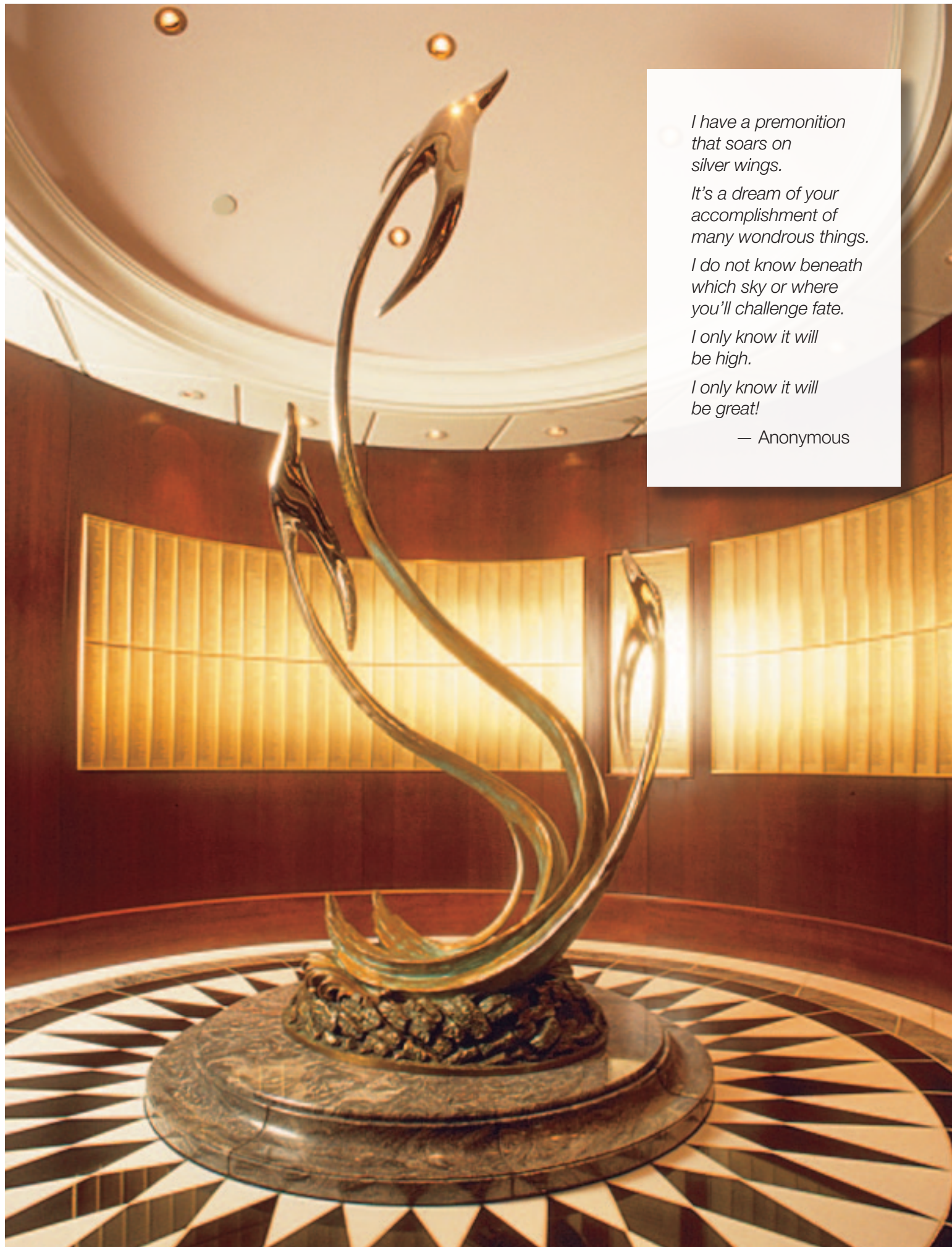
The Independent Beauty Consultant is the heart of the Company's success. Independent Sales Directors and Independent National Sales Directors encourage, educate and motivate their Independent Beauty Consultants to succeed. It is true that they work hard. It is also true that Mary Kay commission, incentive and recognition programs reward their efforts handsomely. That, added to the intangible benefits they gain from their experiences with Mary Kay, explains why Mary Kay Independent Sales Directors and Independent National Sales Directors have achieved such exceptional success.

These remarkable women do more than teach skin care and makeup application techniques. Each day, they bring beauty into the lives of others, cheerfully giving of their time, knowledge and experience. To them, Mary Kay is more than a business. It's a way of life.

In celebration of the silver anniversary of Mary Kay in 1988, the specially designed sculpture *On Silver Wings* was presented to the Company. Originally located in the lobby of the Stemmons building, the sculpture has been placed in the lobby of the The Mary Kay Building. *On Silver Wings* was created by internationally acclaimed artist Norman Boyles to serve as a tribute to those who have chosen — and others who will choose in the future — to soar to new heights of success with Mary Kay.

In 2012, Independent Elite Executive National Sales Director Barbara Sunden held the record for earning more than \$1 million in commissions for five consecutive years.





*I have a premonition
that soars on
silver wings.*

*It's a dream of your
accomplishment of
many wondrous things.*

*I do not know beneath
which sky or where
you'll challenge fate.*

*I only know it will
be high.*

*I only know it will
be great!*

— Anonymous



Recognizing

Achievement

Spectacular Incentive Awards Motivate, Reward Performance

Pink Cadillacs. Expensive jewelry. Diamond bumblebees. Lavish vacation trips. These highly visible symbols of success in Mary Kay mean much more than their monetary value. They are both recognition of accomplishments and expression of the Company's appreciation.

At Mary Kay, every achievement is significant. Every success is recognized. The rewards are tangible and can take many forms. But they are all a direct result of a person's ability, effort and commitment to her Mary Kay business.

Over the years, Mary Kay has made dreams come true for thousands of Independent Beauty Consultants and Independent Sales Directors. First, they have unlimited opportunity to succeed. And then there are the Mary Kay recognition programs that reward their sales and team-building accomplishments with prizes most only dare to dream about.

Mary Kay Inc. started doing business when most direct selling companies were heavily male-oriented. Mary Kay would be different — in a big way.

From the outset, Mary Kay incentive awards have catered to an independent sales force that has always been virtually all-female. For the most part, awards have been "Cinderella gifts" — things most women want, but won't necessarily buy for themselves. In the early years, the prizes, such as gold jewelry, black-and-white television sets and even wigs, were modest. As the Company grew, so did the value of its incentive awards, and the Company began offering incentives that have made Mary Kay synonymous with luxury and glamour today — diamonds, pink Cadillacs and dream vacations. Now, in addition to "Cinderella gifts," the range of

incentives is designed to meet the diverse preferences and needs of the growing independent sales force. Each quarter, Independent Beauty Consultants are eligible to receive fabulous prizes — from jewels, furniture and china to exercise machines, computers and business-related items — based on their sales and team-building achievements.

But the actual prize has always been secondary to the recognition it represents. The Golden Goblet Award, introduced in 1966, makes the point. Mary Kay Ash conceived the award as a way to recognize exceptional productivity — \$1,000 in wholesale orders in a month. Some Mary Kay staff members were skeptical about the goblet's effectiveness as an incentive, and logic was on their side: \$1,000 a month was an unheard-of amount of production at the time. But Mary Kay already understood the power of recognition as a motivator, and insisted that the idea be given a try.

In the first year alone, 35 goblets were earned by the independent sales force. Over the next nine years, so many goblets were awarded to \$1,000-a-month producers that winners ran out of room to display them. From this pioneering program, today's popular Ladder of Success program was developed.

Then there's the story, by now legendary, of Mary Kay's pink car. In 1968 — just five years after investing her entire life's savings into a revolutionary and unproved new business concept — things were going so well that Mary Kay Ash decided it was time to give herself a special present. She approached a friend who owned a Dallas Cadillac dealership and told him she wanted to buy a Cadillac, but that she wanted it painted the color of her lip and eye palette — a color which came to be

known as Mary Kay pink. Her friend explained all the problems involved in creating custom car colors and strongly advised her not to do it. She was undeterred.

The Mary Kay Independent Beauty Consultants and Independent Sales Directors who saw Mary Kay's pink Cadillac were wild about it. They demanded to know how they could get one. The reaction was so strong that the Company officials took immediate notice. After all, Cadillac was the perfect symbol of quality and luxury, and pink was already widely recognized as the Mary Kay color.

So, at Seminar 1969, one of the most successful and recognized incentive programs in history was launched when the use of the first five Mary Kay pink Cadillacs was awarded.

Similarly, the diamond bumblebee — introduced in 1970 as a tribute to superachievers in sales, recruiting and unit performance — holds special meaning. Aerodynamic engineers long ago determined that the bumblebee “cannot” fly because its wings are too weak and its body too heavy. But because the bumblebee does not know that and flies anyway, a Mary Kay diamond bumblebee symbolizes someone who’s “flown to the top.”

Like the diamond bumblebee, many of the more popular awards are custom items that have unique appeal because they’re based on aspects of the Mary Kay culture. In 1988, for example, the first limited-edition Mary Kay porcelain doll was introduced as part of the Company’s 25th anniversary celebrations. It was such a success that the doll, dressed in a new Seminar Awards Night gown, was reintroduced to celebrate the 30th anniversary. Less permanent than — but every bit as memorable as — other awards, exciting trips and vacations have also become a powerful part of Mary Kay incentive programs. Top producers have earned trips to such exotic locations as Greece, Hong Kong, Australia and London.

From the start, recognition has been an integral part of the Mary Kay experience. The theory is that recognizing every achievement heightens ambition, and eventually, success will become a habit. The reality is that each year, thousands of Mary Kay independent businesswomen prove that theory by realizing their dreams — and claiming the rewards.



Mary Kay with wigs, 1963



Pink Cadillacs in front of the 8989 Carpenter Freeway office in 1967, when Independent Sales Directors were buying their own pink Cadillacs before earning the use of them!



Lovie Quinn earns the use of one of the first pink Cadillacs.



The diamond bumblebee was first awarded to Seminar Queens in 1970.



The Golden Goblet Award Program was introduced in 1966.



Mary Kay and Richard, 1983



First Seminar held in 1964 in the Company warehouse

Seminar!

A Celebration of Life — Mary Kay Style

Seminar. Few terms bring so strong a sense of excitement and anticipation for members of the Mary Kay family.

It's an annual, multimillion-dollar extravaganza that has been called the Academy Awards, Miss America Pageant and a Broadway opening all rolled into one. Seminar has dazzling awards, keen competition and elaborate staging worthy of an epic production.

But it hasn't always been so glamorous. The first Seminar was held in 1964 in the Company warehouse. Decorations consisted of crepe paper and balloons. Splurging, Richard hired a three-piece band. An Independent Beauty Consultant's daughter sang operatic arias.

There were about 200 Independent Beauty Consultants at the time. Mary Kay Ash personally whipped up enough chicken and jalapeño dressing to feed them all. Everyone laughingly remembers the orange Jell-O salad that melted in the September heat. Dessert was supplied by Independent Sales Director Ellen Notley, who baked a cake decorated with the words "Happy First Anniversary."

As the Company grew, so did attendance at Seminar. To accommodate the increasing numbers, Seminar was moved from the warehouse — first to various hotels, then to Market Hall and finally to the Dallas Convention Center.

But no Dallas facility is large enough to handle the many Mary Kay Independent Beauty Consultants who attend Seminar each year. As a result, five separate Seminars are now held consecutively over a 2½-week period each summer.

From the start, the primary purpose of Seminar has been to recognize the accomplishments of the Mary Kay independent sales force. Much of this recognition comes in the form of gifts and prizes presented on Awards Night.

During the first Seminar, top Independent Beauty Consultants were awarded wigs valued at \$300 each. The prize for the No. 1 Independent Beauty Consultant in 1964 was a black and white television. A year later, top achievers went home with alligator bags, gold charms and mink stoles. Although a modest beginning, these early prizes were forerunners of fantastic things to come.

The pink Cadillac first made its appearance at Seminar in 1969. The top five Independent Sales Directors that year each earned the use of one of these "trophies on wheels," giving thousands of Independent Beauty Consultants something new to aspire to.

In 1970, the crown jewel of Mary Kay recognition was introduced at Seminar - the diamond bumblebee. Recipients are treated like queens — presented with

beautiful satin sashes, crowned with tiaras and given bouquets of long-stemmed pink roses. At the same time, they receive the coveted diamond bumblebee.

But perhaps the most prestigious presentation at Seminar is the Annual *Go-Give*® Award. It recognizes the Independent Sales Director who best demonstrates the kind of unselfish devotion in helping others that epitomizes the Golden Rule philosophy. Previously known as the Miss Mary Kay Image Award, it was later renamed and dedicated to its first recipient, Sue Z. Vickers. The Annual *Go-Give*® Award is the highest honor bestowed at Seminar.

At Mary Kay, every level of success is recognized. That's why thousands of women cross the stage at each Seminar, some for achieving Cadillac status, others for the Team Leader march and still others to receive once-in-a-lifetime trips and other prizes.

But beyond recognizing the accomplishments of the previous year, Seminar also lays groundwork for future success through motivation and education.

In the early years, nationally prominent speakers inspired the sales force. It soon became apparent, however, that some of the best motivational speakers were already within Mary Kay's ranks. Now, top Independent National Sales Directors and top Independent Sales Directors at each Seminar are invited to speak. They share their part of the dream, why they began their Mary Kay businesses, how they "failed forward" (learned from their mistakes) to success and what it takes to be a star performer.

Not surprisingly, one of the most commonly heard phrases in the audience at Seminar events is: "Next year, I'm gong to be the one up there!"

During the day, Seminar participants can choose to attend the classes at their level on the Beauty Consultant career path. Taught by Independent National Sales Directors and top Independent Sales Directors, the classes offer practical information to help Independent Beauty Consultants build their own independent and profitable businesses.

Seminar even offers classes for spouses on topics ranging from the Mary Kay marketing plan to supporting their wives' businesses.

And there's a hidden power to Seminar. It has proven over time to be an excellent opportunity for Independent Beauty Consultants from all over — and even from their own units — to get to know one another better. To share their life experiences. To offer and receive helpful information to make their businesses more successful. Overall, to strengthen their ties to Mary Kay and to their sister Independent Beauty Consultants.

Each Seminar is endowed with its own special spirit. No expense is spared to entertain, educate and motivate participants. It takes months of preparation to produce music, choreograph dances, design sets, draft scripts, select menus and handle all the other necessary details. But it all comes together, each year dazzling audiences even more with its magic and splendor.

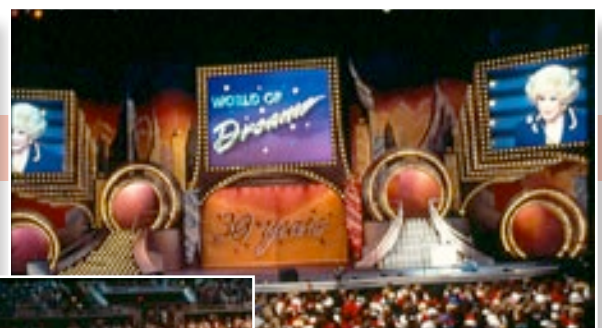
With all that it offers, it's no wonder that Seminar is the most important event in the Mary Kay year. Although not as glamorous in the early years, Seminar has always served the same purpose. It's a time to recognize achievement. It's a yearly business extravaganza that celebrates success. It is a celebration of life itself — Mary Kay style.



Helen McVoy earning the use of her first pink Cadillac, 1969



Mary Kay presents Sue Z. Vickers with The Miss Mary Kay Image Award in 1971.



Seminar 1993



Mary Kay, Seminar 1993



Career Apparel

A Commitment to Beauty, Style, Sophistication and Quality

From the very beginning, Mary Kay Ash believed if you were to be successful in business, you had to look the part. Especially in the cosmetics business.

To cultivate that professional, successful look among top Independent Beauty Consultants, Mary Kay Ash decided in 1965 that the Independent Sales Directors should have the option of wearing career apparel designed each year especially for them. Though the first Independent Sales Directors had been named only months earlier, by late 1965 there were 21. Mary Kay knew that as the number of Independent Sales Directors continued to grow, they soon would be spread across the country. She believed that introducing career apparel which Independent Beauty Consultants would be eligible to wear once they became Independent Sales Directors would help underscore the importance she placed in always projecting a friendly, professional and businesslike manner.

That first black, two-piece Independent Sales Director suit was an overnight sensation, instantly becoming synonymous with Mary Kay success. Over the years, the suits became a significant motivator, encouraging more and more women to set their sights on rising to Independent Sales Director status.

Styles have changed dramatically over the years, and hemlines have risen and fallen several times. From a vibrant fuchsia wool knit suit in 1966, a red dress with a finger-tip length red cape in 1973 and a navy wool-blend suit in 1984 to award-winning looks, the *Mary Kay*® Independent Sales Director suits have been both distinctive and professional.

Designing a suit to complement and fit that first group of Independent Sales Directors in 1965 was no doubt a challenge, but it pales in comparison with today's task. With thousands of Independent Sales Directors spread across the U.S., *Mary Kay*® career apparel must come in all sizes and fit all body shapes.

How do you successfully design a fashionable suit that will complement so many individuals?

The designer begins trend research about 18 months before the new suit is shipped to Independent Sales Directors. She researches silhouette and color trends that will translate to a fashionable but wearable design to make the Independent Sales Director feel confident when selling *Mary Kay*® products. The designer presents three collections, and through many approval meetings, these are narrowed down to one suit collection.

Once the collection is determined, the prototypes must be developed and tweaked. A sample set is produced for corporate employees to try on to ensure that the fit is just right!

The Sales Director suit is launched at Leadership Conference, where Sales Directors have the opportunity to see a display of the new collection and are lucky enough to try on the jackets!

For many years, Mary Kay herself tested each new garment, wearing it frequently for several months prior to mass production to fine-tune the design and construction of the suit. During the test, designers

received regular feedback from Mary Kay, making changes and improvements along the way.

For the Company's 50th Anniversary in 2013, the Company wanted to celebrate the Golden Anniversary even in the suit. The suit was made in a black and tan boucle with a thread of gold Lurex running through the fabric. The collection features three jacket silhouettes designed for all shapes, sizes and personalities.

The immense popularity of career apparel among members of the Mary Kay organization has been reflected outside the Company as well. *Mary Kay*® Sales Director suits won the distinguished "Career Apparel of the Decade" award for the 1980s. Since 2002, Mary Kay has won eight consecutive Image of the Year Awards at the Annual North American Association of Uniform Manufacturers and Distributors (NAAUMD). Winners of this award are recognized for their high achievement in design, creativity and manufacturing of image wear and apparel.

With a continuing commitment to beauty, style, sophistication and quality, *Mary Kay*® career apparel certainly will continue to make its mark for years to come. This commitment is richly demonstrated in the current Team Leader, Independent Sales Director and Independent National Sales Director suits on display in the museum.

In addition to the career apparel, which signifies the unparalleled success of the Mary Kay independent sales force, the museum also features several of Mary Kay's formal gowns. Specially designed and detailed for Mary Kay, these gowns have been admired by thousands on stage at Seminar and at other formal events around the country.



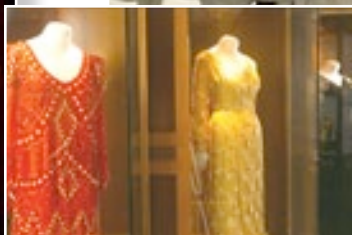
"Career Apparel of the Decade" award for the 1980s.



1973 Independent Sales Directors Suit



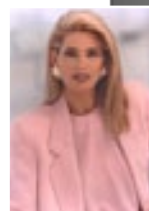
Mary Kay Ash posed for this life mask sculpture which is displayed in The *Mary Kay*® Museum.



Mary Kay's Seminar gowns are displayed in The *Mary Kay*® Museum.



2009 Independent Sales Director Suit



1993 Independent Sales Director Suit



Mary Kay® Products

A Complete Offering of Quality Skin Care, Color and Fragrance Products

Mary Kay's first customers didn't have a lot of choices. The entire *Mary Kay*® product line consisted of the basic set of five skin care products and four additional items: rouge, a lip and eye palette, mascara and an eyebrow pencil.

An essential element of Mary Kay's original plan was that the quality of her new Company's products had to be so superior that quality would become a given factor for consumers. That's still an essential element of Mary Kay marketing plans.

The early *Mary Kay*® skin care products had their origins in a formula that Mary Kay Ash was introduced to in the early 1950s. Mary Kay was amazed at the results she personally received, so in 1963 she bought the formulations. She believed that with the right packaging, an innovative marketing concept and a lot of hard work, her dream Company would become a reality.

Now, millions of dollars are invested each year to ensure product quality, safety and performance. Demanding standards are not only used in developing, but also in testing and manufacturing each *Mary Kay*® product. This commitment has brought Mary Kay a large, loyal customer base and a growing market share.

But what really sets Mary Kay apart is the Company's emphasis on personalizing the beauty process through parties. Originally called beauty shows, and later skin care classes, parties have become a Mary Kay hallmark. Over the years, the methods have changed, but the purpose has remained the same: teach women how to make the most of their facial features and take care of their skin and give them a chance to try *Mary Kay*® products before buying them.

Independent Beauty Consultant and customer feedback has always played a significant role in product development at Mary Kay. Independent Beauty Consultants receive instant, direct feedback about products during parties and in their regular communication with customers. This information is continually relayed to the Company.

As a result, old products have been brought back and new ones launched specifically to meet Independent Beauty Consultants' customer demand over the years. One such example is men's skin care products. Feedback in the early '60s indicated that many men were using their wives' skin care products. Mary Kay responded by introducing a line of men's products in 1965, and revamping the entire line in 1987 as Skin Management for Men. In 2007, Mary Kay introduced *MKMen*®, a new skin care line formulated for male skin.

In addition to changes in the product line, product packaging has changed over the years. The early products were packaged in pink to serve as beautiful accessories in bathrooms that were predominately tiled in white. As time passed, the packaging was continually updated to reflect more contemporary looks.

For example, in the late 1980s, to build a stronger brand image, graphic standards were established so that packaging would be consistent across product lines. Equally important, much attention was paid to developing user-friendly packaging. In keeping with the Company's commitment to helping preserve the environment, recycling codes were also placed on most bottles, unnecessary cartons were eliminated and the Company began using recycled paperboard for virtually all cartons.

Although *Mary Kay*® products and packaging have continued to change over the years, the Company's dedication to achieving total customer satisfaction has remained constant. Mary Kay Independent Beauty Consultants provide their customers with personalized service and the very best products at reasonable prices, and Mary Kay has become one of the most respected names in the cosmetics industry. Equally important, the Company believes it is uniquely positioned to meet the opportunities and challenges of the future.



A 1969 Beauty Show. Beauty Shows were later renamed skin care classes and are now called parties.



Men's Skin Care Line, 1970-1978



TimeWise® Products, 2012



1976 Lip and Eye Palettes



The Mary Kay® Skin Care Products, 1964-1969

The Mary Kay® Starter Kit

Designed for Success, Organization and Professionalism

The *Mary Kay*® Starter Kit is the basic tool of every Independent Beauty Consultant. But it's also much more. The delivery of her Starter Kit marks the beginning of her journey to become an independent, professional businesswoman.

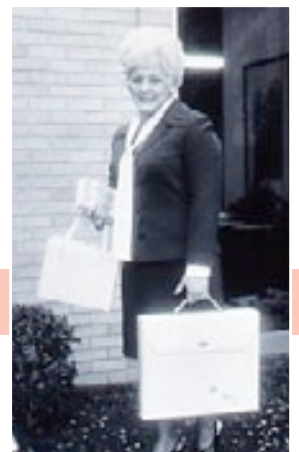
Designed with the Independent Beauty Consultant's success, organization and professionalism in mind, the Starter Kit contains everything an Independent Beauty Consultant needs to start her business. It also contains everything she needs to conduct skin care parties.

From the very beginning, Mary Kay Independent Beauty Consultants have worked out of starter kits (originally called showcases). At first, it was a simple, blue cosmetics case. Like many facets of Mary Kay's new concept, it was ahead of the times: The Starter

Kit made the skin care parties possible. And the skin care parties allowed women — probably for the first time — to sample skin care and beauty products in a convenient way, on a “try before you buy” basis.

In 1973, a new *concept* was born. A pink kit, consisting of a product organizer that held the demonstrators and had a separate case for mirrors, made it even easier to conduct skin care parties and properly demonstrate products.

The 2013 starter kit is reminiscent of classic bags by top fashion houses. It featured a quilted print on faux black leather with an ivory pocket and handle.



Mary Kay modeling the 1973 showcase



World pendant, 1993, featuring flags of the Company's international markets.

International **Operations**

Unlimited Opportunity, Quality Products Around The World

Mary Kay® products are available in more than 35 markets. These products may vary to meet the needs and preferences of local consumers, but they are held to the same rigid quality-control standards worldwide, assuring that Independent Beauty Consultants and their customers can count on the same quality products whether they are purchased in the United States, Brazil, China or Russia.

Today, somewhere in the world, a Mary Kay party is held every hour. The Company was not even a decade old when the first overseas operation was established in Australia. In 1988, there were subsidiary operations in Canada, Argentina, West Germany and Mexico. Mary Kay also moved into the Asia Pacific markets that year.

Just as in the United States, Mary Kay is an important factor in the movement of women into the work force in many foreign countries, particularly in developing nations. A Mary Kay opportunity, with its offer of unlimited opportunity,

is now available to women who, for reasons of culture or because of the responsibilities of family and home, had not previously been able to enter the business world. Although structures and strategies of Mary Kay operations in individual countries may vary slightly because of national differences, they always are based on free enterprise. The Mary Kay approach to international markets is similar everywhere it operates: each Beauty Consultant is independent — in business for herself, but never by herself. She teaches her customers the benefits and uses of *Mary Kay*® products. And the path is clear for her to go just as far as her personal ability, effort and commitment will take her.

The similarities among Mary Kay operations worldwide far outweigh any country-to-country differences. The products are top quality. The opportunity is unlimited. And all are based on the fundamental principles on which Mary Kay Ash formed the Company: The Golden Rule and “God first. Family second. Career third.”

In several international operations, Mary Kay Independent Beauty Consultants sell products manufactured in the United States. In some countries, the law requires that products be manufactured locally. In others, duty rates are so restrictive that products cannot be made available to consumers at affordable prices if they are imported. In some countries, inflation rates make importing products prohibitive.

But strict quality controls are maintained everywhere Mary Kay does business, and the formula for each individual product is virtually identical, no matter where the product is made. The product is not released to a foreign market until corporate quality-control experts have determined that it meets the Company's rigorous and precise standards.

The Company's earliest international venture came about when a man who had worked with the early Mary Kay independent sales force returned to his home in Australia and began his own company, largely modeled after the Mary Kay concept. He approached Mary Kay to buy his company, and in 1971, it became a wholly owned subsidiary selling *Mary Kay*® products.

About the same time, a sizable portion of sales in the northern tier of states was accounted for by Canadian women purchasing products at U.S. skin care classes and taking them home. Thus, when the Company opened Mary Kay Cosmetics Ltd. in Canada in 1978, there was already a large consumer base for *Mary Kay*® products. Within just two years, Mary Kay became the second largest direct sales cosmetics company in Canada.

Expansion into Mexico in the late 1980s was similar. For many years, Mexico discouraged foreign investment, but the barriers were eventually loosened. Mary Kay became one of the first companies allowed into Mexico without a joint-venture partner. Because many Mary Kay Independent Sales Directors and Independent Beauty Consultants in border areas had strong ties to Mexico, the Company already had a knowledgeable consumer base on which to build.

Since 1990, Mary Kay has experienced significant growth, opening in more than 20 markets around the world.

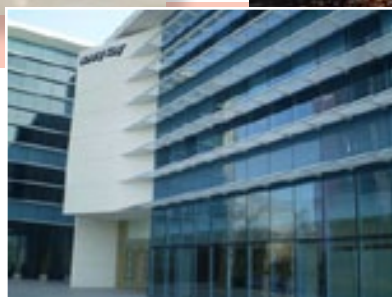
For example, Mary Kay Russia launched operations in 1994. In just over a year, the number of Independent Beauty Consultants had risen from an initial group of 50 to more than 5,000 and sales surpassed \$10 million.

Asia Pacific markets are also within the Company's international focus. Taiwan launched in 1991, and 1995 saw the opening of Mary Kay China, which is now our largest international market. Mary Kay is now positioned to move quickly into new markets as opportunities arise. It is clear that international markets represent significant growth potential for Mary Kay.

As a tribute to the Company's growing international success, Mary Kay has placed in the museum items presented to her by international subsidiaries and international independent sales force members. Mary Kay's mission of *enriching women's lives*® is truly being carried out all across the world.



Mary Kay China



Mary Kay Mexico
Headquarters, 2012



Map of the world in The Mary Kay
Building lobby highlighting locations of
Mary Kay subsidiaries and distributors.



TEXAS WOMEN'S
HALL OF FAME

1986
MARY KAY ASH
BUSINESS & COMMUNITY



Presented To
MARY KAY
COSMETICS, INC.
from Your
American Cancer Society

MARY KAY ASH

1976 DIRECT SELLING
HALL OF FAME

THE INDUSTRY'S HIGHEST HONOR...
FOR DISTINGUISHED SERVICE

TO THE HONORABLE
MARY KAY ASH, DIRECTOR,
MARY KAY COSMETICS, INC.,
DALLAS, TEXAS, FOR HER
OUTSTANDING LEADERSHIP
AND CONTRIBUTION TO THE
INDUSTRY

ENVIRONMENTAL
FELLOWSHIP
Dallas
CLEAN DALLAS, INC.
1990

GFWC
Volunteer

Community

Involvement

Proud of the Awards, More Proud of What They Represent

Mary Kay was founded on the Golden Rule – treat others as you would like to be treated. And that's why every day, we are giving back in the communities around the world where we live and work. Founder Mary Kay Ash once said, "Only what you give can be multiplied back into your own life." Mary Kay Inc. and The Mary Kay FoundationSM keep the founding principles and Mary Kay Ash's own words at the forefront of the Company's philanthropic mission of supporting organizations that benefit women and children around the world.

Mary Kay Ash was passionate about *enriching women's lives*[®] and was touched by the stories and experiences of those around her. Because of her personal efforts raising money for cancer research, in 1996 Mary Kay Ash established The Mary Kay Ash Charitable Foundation (later renamed The Mary Kay FoundationSM) focused on funding research for cancers affecting women. In 2000, the mission of The Mary Kay FoundationSM expanded to include programs committed to ending domestic violence.

In the United States, Mary Kay Inc. works to build upon The Foundation's established success and is committed to bringing an end to domestic violence. In addition to providing support for The Foundation's domestic violence shelter grant program, Mary Kay Inc. funds education and intervention programs in an effort to stop the cycle of abuse before it starts. Mary Kay Inc. also has a long-standing advocacy program initiated by Mary Kay Ash in the 1980s. This program continues today as independent sales force members, corporate representatives and advocates stand together and speak with lawmakers at the state and federal level about the importance of laws supporting domestic violence survivors. Mary Kay also has built 14 Habitat for Humanity homes both in the Dallas area

as well as outside the state of Texas. Through a unique partnership with The Mary Kay FoundationSM, 20 Nature Explore Classrooms have been built at domestic violence shelters across the United States to help survivors heal from the lasting effects of abuse.

The Company's corporate social responsibility efforts also extend to the environment. Mary Kay continuously seeks opportunities to improve environmental performance and find ways to be even more sustainable and green. Mary Kay supports the reforestation efforts of The Arbor Day Foundation and has committed to planting nearly 1 million trees in the United States. Mary Kay's global manufacturing facility located in Dallas is among leaders in the industry and recognized as a zero-landfill manufacturing site. Many Mary Kay distribution centers ship orders using packing materials made from renewable corn and potato starch (biopeanuts), which are 100 percent biodegradable.

Mary Kay Ash and Mary Kay Inc. are often recognized for giving back to the community.

Mary Kay Ash has been the deserving focus for awards and recognitions ranging from the Horatio Alger Distinguished American Citizen Award in 1979, to being named the first female recipient of the prestigious Kupfer Distinguished Executive Award of Texas A&M University in 1993, and the Louise B. Raggio Award, presented by the National Association of Women Business Owners in 1995.

Other recognitions of Mary Kay's caring spirit have come her way. These include: the Dale Carnegie Leadership Award; the Cosmetics Career Woman of the Year Award; inclusion among the "100 Most Important Women in America" by the *Ladies' Home Journal* and "America's 25 Most Influential Women"

in *The World Almanac*; Mother of the Year Award from Dallas Can! Academy; Woman of Achievement Award from the General Federation of Women's Clubs; Business Leader of the '90s Award by the Association of Women Business Owners; Komen Award for Philanthropy from the Komen Foundation; and Circle of Honor and Living Legend awards of the Direct Selling Education Foundation; and the Hall of Fame Award from the Direct Selling Association.

In 2000, Mary Kay Ash was named "The Most Influential Women in Business in the 20th Century" by Lifetime Television, as well as being named "The Greatest Female Entrepreneur in American History." Mary Kay's story was produced and aired in 2006 by The Biography Channel.

Mary Kay Inc. is proud to have been among only 45 companies listed in both editions (1984 and 1993) of *The 100 Best Companies to Work For In America*. The Company is equally proud of its inclusion among *Fortune* magazine's list of the Most Admired Corporations in America.

For its environmental efforts, in 1994, Mary Kay Inc. received the first Financial Times Television Alp Action

Film Award for Corporate Environmental Action presented at the World Economics Forum in Switzerland and the Governor's Award for Environmental Excellence presented by the Texas Natural Resource Conservation Commission. In 1993, Mary Kay Inc. received the first Fashion and the Environment Award given jointly by the United Nations Environment Programme and The Fashion Group International. The previous year, Mary Kay Inc. was named to the National Environmental Development Association's Honor Roll and received an Environmental Leadership Award from the American Lung Association. In 1991, the EPA Region VI presented the Company with its Environmental Excellence Award, and a year earlier, Mary Kay received the first annual Texas Earth Friendly Award and Environmental Excellence Award from Clean Dallas, a subsidiary of Keep America Beautiful.

For more information about The Mary Kay FoundationSM, please visit marykayfoundation.org, and to learn more about how Mary Kay Inc. is giving back, please visit marykay.com/socialresponsibility.



Mary Kay receives the Direct Selling Education Foundation Circle of Honor Award, 1989



Receiving the Horatio Alger Award from Dr. Norman Vincent Peale, 1978



Awards received by Mary Kay Ash and Mary Kay Inc. are displayed proudly in The Mary Kay[®] Museum.



Manufacturing,

Research & Development and Quality Assurance

Rigid Standards Govern Development, Manufacturing Processes

When Mary Kay Inc. opened for business in 1963, its handful of products were all produced by a private-label manufacturing firm to Mary Kay's specifications. Now Mary Kay develops, tests, manufactures and packages virtually all of its own products at its state-of-the-art plant in Dallas.

Operationally, Mary Kay Inc. has a clear vision: to be preeminent in the manufacturing, distribution and marketing of personal care products through its independent sales force. The Company, and its people, go to great lengths to achieve that status.

Mary Kay strives to be best in class when it comes to quality and safety. The quest for quality is driven by a commitment to total customer satisfaction. Mary Kay purchases only the finest ingredients from selected suppliers, measures them against exact specifications and subjects them to intensive testing every step of the way.

Before Mary Kay's scientists consider using a new ingredient, they check its safety record, including rulings by the Food and Drug Administration, the Independent Cosmetic Ingredient Review and other international regulatory agencies.

All *Mary Kay*® skin care products are clinically tested under the supervision of dermatologists, ophthalmologists and other leading medical experts in product testing, as appropriate. Testing is conducted at every stage of the product development process – from the raw materials to the intermediate prototypes to the final product. These rigorous testing procedures are applied not only to new products, but also to reformulations of existing products.

At Mary Kay, quality assurance is a nonstop process. Incoming packaging components are inspected before use, product samples are constantly checked for microbiological purity, and people and computerized systems continually monitor production lines.

Beyond quality and safety considerations, consumer needs and preferences play an important role in product development. Many new products, colors and fragrances are tested with panels of sensory experts, Mary Kay independent sales force members.

Mary Kay also monitors and responds to the opinions of Independent Beauty Consultants and their customers after products are introduced. These comments from the independent sales force, along with the Company's continuing emphasis on improving existing products and developing new ones, ensure that *Mary Kay*® products are of the highest quality and packaged with strong market appeal.

Because Mary Kay follows all the laws in the countries in which it operates, its products are fully labeled. Mary Kay also participates in the FDA voluntary reporting program — a formal system for reporting cosmetics product formulas and possible adverse consumer reactions to the Food and Drug Administration. Mary Kay's commitment to preeminence goes beyond the basics of business. The Company continues to set industry standards in less visible ways as well.

For example, Mary Kay has established rigorous testing procedures to substantiate "safe for sensitive skin" claims for a majority of its skin care and color cosmetics products. This approach includes scientifically prescreening people to determine skin sensitivity and then using only qualified individuals in the actual product testing. This process has proved far more precise than

previous methods that were largely based on the use of statistical probabilities.

Additionally, Mary Kay was one of the first cosmetics companies to declare a moratorium on animal testing as it explored a number of scientifically viable alternatives. This moratorium, in effect since 1989, means the Company does not use animals in the testing of its products and is committed to the elimination of animal testing. Mary Kay is a strong advocate of utilizing alternative methods to substantiate the safety of our ingredients and products. For more than two decades, the Company has been a global leader in helping to develop alternative testing methods for product safety. This commitment continues today in partnership with global regulatory agencies that manage cosmetics safety, with animal advocacy groups and with leading animal alternative researchers.

In 1993, Mary Kay's manufacturing became the first cosmetics manufacturer to be awarded merit site designation in OSHA's Voluntary Protection Program (VPP) as a result of its excellent safety record, safety programs and employee involvement.

Mary Kay has come a long way since the days when it purchased its few products from an outside manufacturing firm. Today, consumers purchase *Mary Kay*® products that are researched, developed and manufactured by a staff of Mary Kay experts who care about product quality, safety and performance.





Distribution

Getting the Product to the Independent Beauty Consultant When and How She Wants It

Studies have shown that product availability – getting the product to the consumer when and how she wants it – is a critical factor in purchase decisions. Other studies have shown this to be particularly true for the types of personal care products Mary Kay offers.

Over the years, Independent Beauty Consultants and consumers have come to know that when they place orders with Mary Kay, they will receive them as quickly as possible. This doesn't happen by accident — it takes commitment, effort and a significant investment in technology, equipment and facilities.

Mary Kay operates one of the world's most effective and sophisticated warehousing and distribution systems – one that has been cited as a model on which other companies benchmark their systems.

It hasn't always been so sophisticated. The Mary Kay distribution system began as a one-man operation. Working out of a 500-square-foot storefront, Richard Rogers personally filled each order and ensured delivery to the independent sales force.

In no time, the company outgrew its original space and moved to a building that contained offices and a warehouse.

By 1970, the Company was ready to increase its presence and name recognition on a regional basis. With sales volume of \$8.3 million, Mary Kay opened its Western Branch in California.

From there, the Company headed east – opening a facility in Georgia in 1971, and one in New Jersey in 1973.

By 1975, sales totaled \$34.9 million, and Mary Kay Inc. was known nationwide.

A branch was opened in Illinois to serve an already-established midwestern sales force. Today, the branches are not only responsible for shipping product to Independent Beauty Consultants, but also for processing orders and customer service activities.

Virtually all U.S. and Canadian *Mary Kay*® products are manufactured at the Company's plant in Dallas. Products enter the distribution system when they are moved to the automated storage/retrieval system (ASRS) corporate warehouse – a 155,100-square-foot state-of-the-art facility also located in Dallas. In 1995, a 193,000-square-foot expansion of the facility was launched as Mary Kay continued efforts to keep pace with the growing demand for its products.

After the merchandise is assembled in the corporate warehouse, it is loaded into a refrigerated truck for transit to the branches. At one time, Mary Kay had 18 trucks which departed for Mary Kay distribution centers each week, spending anywhere from one to three days in transit. Of these 18 trucks, eight were part of the fleet of "Big Pink Trucks from Mary Kay," a familiar and instantly recognizable sight on the nation's highways.

The fleet was born and hit U.S. highways in 1972. With a single truck, Mary Kay serviced both its newly created Western and Southern branches.

Unlike branches of the past, today's facilities are equipped with technologically advanced computer systems. Mary Kay warehouses feature computer-assisted picking systems, radio frequency controlled inventory maintenance and online manifest systems that provide computer updating for timely customer service information.

To help schedule and evenly distribute the work flow, branch offices have automated call distribution for the toll-free customer service lines. Online ordering was introduced in the late 1990s, and today over 95 percent of all orders are placed via the Internet. Credit cards are processed with online communication with the processing centers. And order information is available to all departments to provide timely processing of commission checks, identify contest winners, calculate car qualification and process information.

The Mary Kay distribution system is driven by a commitment to customer service.

Mary Kay's distribution system has received recognition from outside the Company: in 1990, *Industry Week Magazine* named Mary Kay Inc. as one of the best in warehousing and distribution and a world-class benchmarking candidate.

Much has changed since Richard Rogers personally filled and delivered each Mary Kay order. But one thing hasn't changed: a commitment to quality, accuracy and service that sets Mary Kay Inc. apart from other companies.

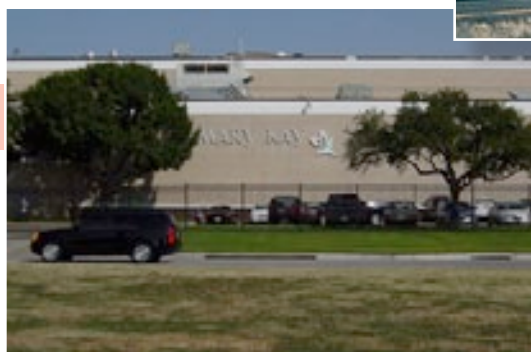
Groundbreaking for Atlanta, Georgia, distribution center, 1970. Daisy the Bulldozer had been painted pink, of course!



Mary Kay pink trucks cruised the U.S. highways from 1972-2003.



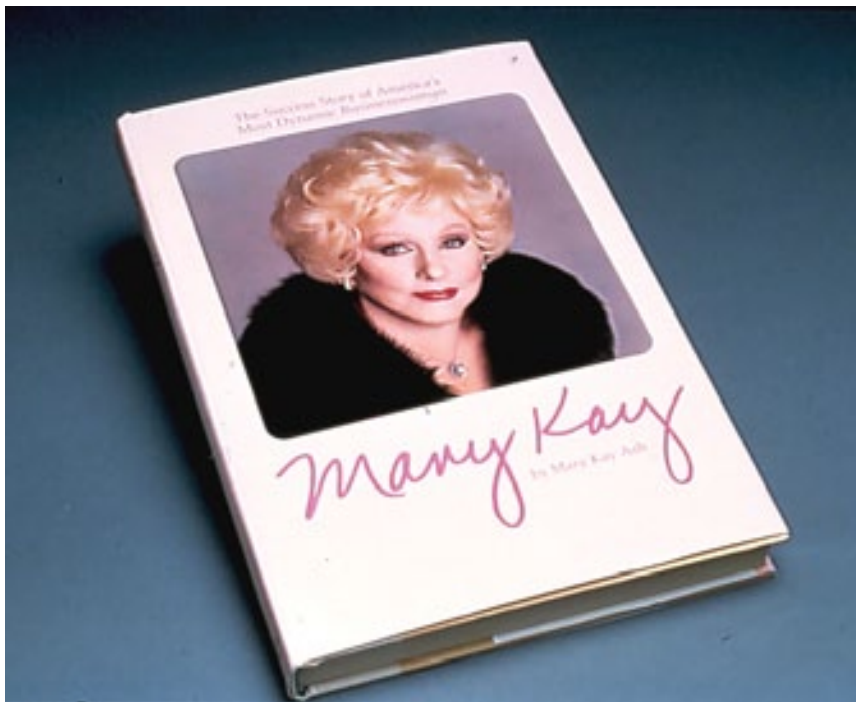
Itasca, Illinois, Grand Opening, 1975



Mary Kay Manufacturing Facility, early 1990s



Mary Kay employee filling orders with BioPeanuts at the Western Distribution Center



Mary Kay in Print

More Than a Passing Familiarity with Best-Seller Lists

Mary Kay Ash, discussing the three books she had penned since the early 1980s, noted, “I have never thought of myself as an author. My goal was simply to share my thoughts and ideas with others in hopes that I could help or inspire them.”

While Mary Kay may not have viewed herself as an author, the popularity of her books among millions of people around the globe would seem to prove otherwise. *Mary Kay* sold over a million copies, *Mary Kay On People Management* appeared on *The New York Times* best-seller list, and both books have been translated into numerous foreign languages. Mary Kay’s third book, *You Can Have It All: Lifetime Wisdom From America’s Foremost Woman Entrepreneur*, released in August 1995, also became a best seller.

Mary Kay was published by Harper & Row in 1981. It was reissued in 2003 as *Miracles Happen*. It tells the remarkable story of an ambitious and motivated grandmother who turned a \$5,000 investment into a multimillion-dollar international skin care and color cosmetics business. From growing up as the youngest of four children in Hot Wells, Texas, to her 25-year career in direct sales, she describes the events that motivated her to create Mary Kay.

“It’s a personal business history of a dream that happened when all the skeptics said it would fail,” said Mary Kay. “If you’ve ever been told that you can’t do something, my story will prove that you can. I hope that when people read the book, it opens some closed doors and closed minds in their lives.”

To launch the autobiography, Mary Kay crisscrossed the U.S. on an exciting 15-city book tour. She also made countless public appearances and was a guest on such national TV favorites as *Donahue*, *The Today Show*, *PM Magazine* and *The 700 Club*.

The second book came three years later, in 1984. That is when Mary Kay Ash decided to finish the effort she had begun some 20 years earlier, when she set out to write a book about all the good and bad things she had experienced in direct selling. She never got around to finishing the book then — she was too busy starting what would become one of the greatest business success stories of the time.

In 1995, it was time to finish the book. As a female chairman of a New York Stock Exchange company, Mary Kay Ash was well aware of what happens in the typical executive suite.

She not only knew how to build and motivate a team, she had a proven record of maximizing productivity, overcoming obstacles and generating profits.

"I'm glad I waited," said Mary Kay Ash. "Because with 20 years of additional experience and with a growing, vibrant organization that was nearly 200,000 strong at the time, I had so much more to share — so many new business insights and ideas.

"And maybe most important of all, I had proof — tangible evidence that my philosophies really work and could indeed be successful in a business environment," she continued. "This book can benefit every single person, male or female, because it's based on proven and effective common-sense principles."

Mary Kay's book offers advice and insight to the thousands of women who are caught in the balancing act of trying to raise a family while juggling their careers and their faiths. It was reissued in 2008 as *The Mary Kay Way*.

In addition to Mary Kay's three books, the Company published *The Mary Kay Guide to Beauty* in 1983. A skin care and glamour book written by Mary Kay's beauty experts, the guide was successful as well, appearing on *The New York Times* list for 11 consecutive weeks. This guide was updated and reissued in a new version titled *Inside Beauty*.

A successful author, a savvy businesswoman and a sincere, compassionate friend, Mary Kay Ash continues to inspire and motivate hundreds of thousands of women around the world. Her compelling story not only offers hope and encouragement, it frames the meaning of what Mary Kay is all about — becoming the very best you can be.

Mary Kay on
Regis Show



Mary Kay book signing for
The Mary Kay Guide to Beauty, 1983



Mary Kay appearing on *The 700 Club*, 1981





The Mary Kay Building, 2012

Mary Kay World

Headquarters

A Home Fit for a Queen!

When Mary Kay Ash and Richard Rogers opened the doors of Mary Kay on Friday, Sept. 13, 1963, they could not have envisioned the lavish new suburban headquarters the Company now calls home. The five headquarters locations the Company has had between 1963 and 1995 have demonstrated Mary Kay's constant growth and success.

The first facility in 1963, located inside a large Dallas high-rise bank and office complex named Exchange Park, was modest, to say the least. At just over 500 square feet, it was about the size of a two-car garage. The used furniture and office equipment were sparse; the drapes were made and hung by Mary Kay and her friends; and products were displayed on a simple metal shelf purchased by Richard at Sears.

Product was stored in the basement of the building. Mary Kay often describes how, after an order was taken, Richard would loosen his tie and literally run downstairs to fill the order. "He would return to the office out of breath," said Mary Kay, "only to repeat the process a few minutes later. It was just as well that aerobics hadn't been thought of back then, because he got plenty of exercise."

Mary Kay's dream company quickly grew, and the Exchange Park location became cramped within the first year of operations. New headquarters space was found nearby, at 1220 Majesty Drive. The second Mary Kay headquarters featured enough space that Mary Kay, Richard and Ben Rogers, who had joined the Company by this time, could have "real" offices;

a training room could be set up; and an attached 5,000-square-foot warehouse eliminated the need for exhausting trips to retrieve product from the basement.

"I remember looking at the warehouse space and thinking, 'How are we ever going to get enough orders to fill that space with product,'" said Mary Kay. The warehouse was the home of the first Mary Kay Seminar, held on Sept. 13, 1964.

Mary Kay's fears of filling the 1220 Majesty Drive warehouse were allayed by the Company's continued rapid growth and the increasing popularity of quality *Mary Kay*® products. Within three years, the Company once again outgrew its home and, on Sept. 13, 1967, moved into larger quarters at 8900 Carpenter Freeway.

In 1969, ground was broken on a state-of-the-art manufacturing facility, and in 1977, Mary Kay Inc. moved its headquarters to 8787 Stemmons Freeway. When this fourth Mary Kay headquarters opened its doors, the independent sales force included some 40,000 Independent Beauty Consultants, and estimated retail sales were almost \$100 million.

By the early '90s, the Stemmons headquarters was bursting at the seams. Even a major expansion, completed in 1986, could no longer house the Company, and space was being leased in several surrounding office complexes. With an eye on the future and a clear vision of Mary Kay's planned growth and expansion, the decision was made to search for a fifth Mary Kay home. The Mary Kay world headquarters, located on the Dallas North Tollway at Westgrove in the Dallas suburb of Addison, is in a class by itself.

The Mary Kay Building was originally constructed to serve as the headquarters of a large savings and loan company in the mid '80s. Although the exterior of the building and the site work were completed, most of the 599,000-square-foot interior was left in a shell condition when the savings and loan failed in 1987. And while the building sat empty for eight years, it was carefully maintained during the search for a new owner.

Created as an "image" building, its graceful curves, grand atriums and expanses of granite and glass would be almost impossible to duplicate in today's more conservative business climate. Acquired for a fraction of what it would cost to build today, the purchase of the new Mary Kay world headquarters has been recognized as one of the most prudent real estate purchases in Dallas/Fort Worth history.

"With 13 floors and 13 main elevators, this building is perfect for a company that was founded on Friday, Sept. 13," Mary Kay told the January '95 Leadership Conference audience in New Orleans. "Thirteen has always been our lucky number, so someone must have had a premonition when this building was built."

From a design standpoint, The Mary Kay Building is an environment of strong contrasts. Incorporated throughout the building are hard-edged architectural shapes contrasting with the sinuous curves and soaring towers of the building.

The undulating shape of the glass and steel awning at the entrance of the building is the first indication of what's to come. The interior contrasts the hard-edged geometric shapes with sweeping curves and soft shapes, and cool granite with warm, rich wood veneers.



Aerial view of The Mary Kay Building, 1995



8787 Stemmons Freeway, 1977

Subtly incorporated into the design of the building are custom details that speak directly to the culture of the Company, with components, shapes and colors that are highly recognized in the cosmetics industry: the executive conference room takes its shape from a perfume bottle; Mary Kay's private reception area is shaped like the historic compact; and entrances to private offices are in pairs under arches that look like eyebrows. Such components add a whimsical personal touch while reinforcing the Company's rich heritage in a facility that is totally unique to Mary Kay.

Workstations throughout the building are trimmed in rich wood, with the shape of work surfaces following the undulating shape you first encounter in the awning at the entrance of the building. The tops of storage towers repeat the eye brow arch shapes.

With an eye on practicality, Mary Kay asked that her elegant pink office at the Stemmons building be recreated at The Mary Kay Building's lush new surroundings. The focal point of her office remains the circular pink sofa which creates an office atmosphere perhaps unlike that of any other company founder in America. As employees, independent sales force members or other guests met with Mary Kay, they sat with her family-style instead of across an impersonal

desk or around a conference table. The same warmth felt by thousands of people who have visited and toured Mary Kay's office in the past has been reinforced in her new office.

Display space in Mary Kay's office was expanded to create room for additional pieces of her priceless collection of Boehm china and other precious porcelain pieces. Collected and presented to Mary Kay through the years, this collection was very important to her, and she was pleased to be able to share it with employees, independent sales force members and others who visit The Mary Kay Building.

Throughout The Mary Kay Building, creativity, attention to detail and expert craftsmanship have created a professional, sometimes whimsical corporate environment quite unlike any other — a fitting tribute for the employees and independent sales force members who have together built a best-selling brand of facial skin care and color cosmetics in the U.S.

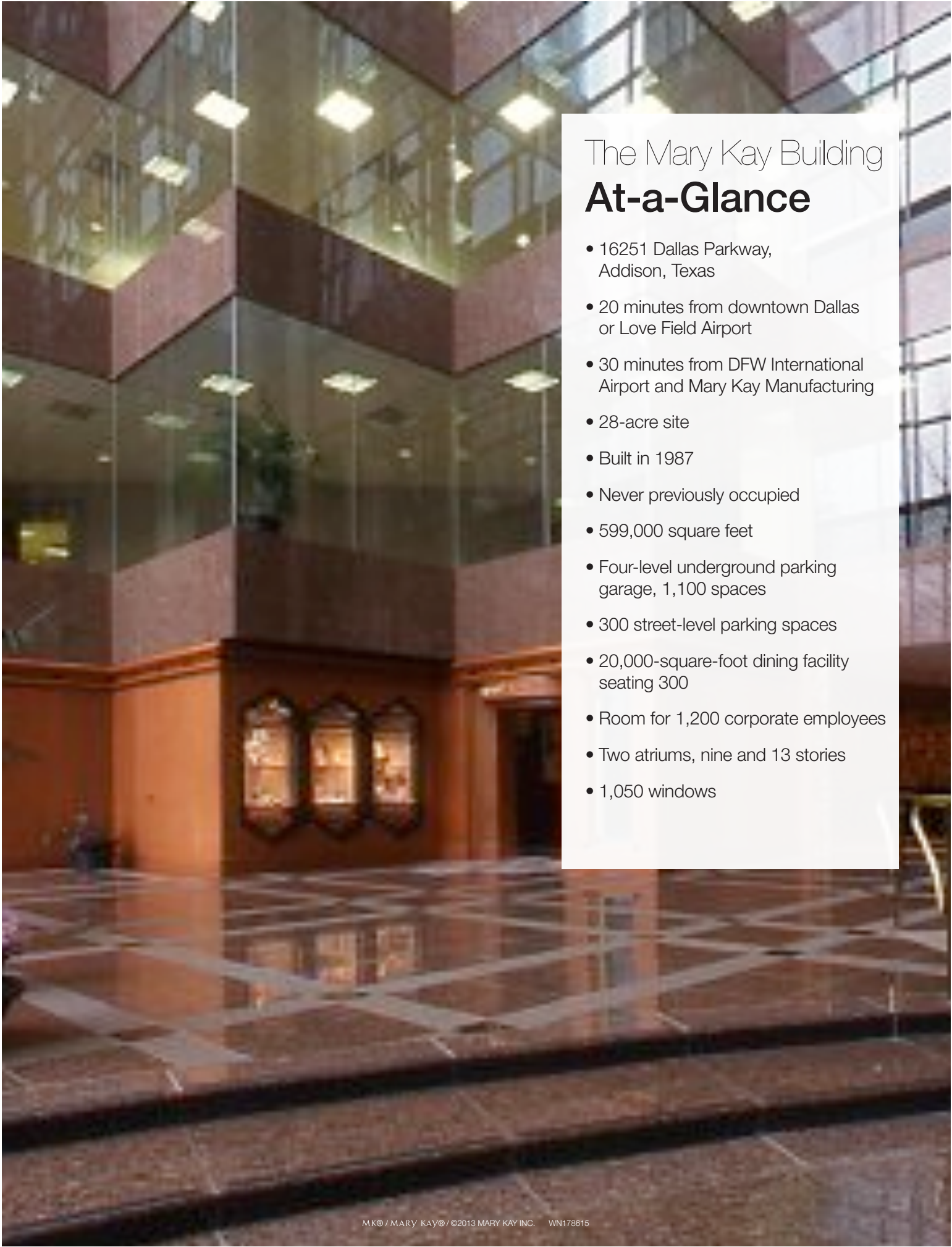
Much like its independent sales force, Mary Kay has built its own ladder of success — and it stands firmly at the top. As the world comes to visit The Mary Kay Building, they will see the richness of our past successfully combined with our vision for the future.



The Mary Kay Building, 2005



Mary Kay at her desk, 1994



The Mary Kay Building **At-a-Glance**

- 16251 Dallas Parkway, Addison, Texas
- 20 minutes from downtown Dallas or Love Field Airport
- 30 minutes from DFW International Airport and Mary Kay Manufacturing
- 28-acre site
- Built in 1987
- Never previously occupied
- 599,000 square feet
- Four-level underground parking garage, 1,100 spaces
- 300 street-level parking spaces
- 20,000-square-foot dining facility seating 300
- Room for 1,200 corporate employees
- Two atriums, nine and 13 stories
- 1,050 windows