

DANIER



THE MARKET

Few retailers can boast such brand recognition within a category as Danier. With over 35 years in the Canadian retail landscape, Danier has become synonymous with leather apparel and delivers to consumers the promise of luxury at a remarkable value. As the fashion retail market continues to splinter between “fast fashion” brands that offer inexpensive trend items that are viewed as disposable and “slow fashion” investment pieces that are meticulously hand-crafted but with a price tag to match, Danier has carved a perfect niche bridging between these two often opposing retail philosophies.

ACHIEVEMENTS

Since going public in 1998, Danier has doubled in size and grown from a company with 57 stores and revenues of approximately \$89 million, to a company with 91 stores and revenues of approximately \$158 million in 2007.

HISTORY

Established in 1972, Danier is North America’s leading vertically integrated designer, manufacturer and retailer of quality leather and suede clothing and accessories for men and women. The company started out in Toronto, Ontario, as a manufacturer and wholesaler of high-quality suede and leather apparel but quickly expanded into the retail business in order to provide additional distribution capacity for its merchandise. In

1974, the company opened its first two retail stores in Southern Ontario under the name “Leather Attic” and continued to launch 19 more stores in Ontario and Manitoba by 1981.

The company opened its first fashion-oriented retail clothing store under the name “Danier” in 1981 in one of North America’s premier shopping venues, the Toronto Eaton Centre. The success of the store ultimately led to the creation of the Danier concept as it exists today. In 1986, the company opened its first Danier Leather store devoted primarily to Danier label leather and suede sportswear and outerwear. By 1990, all Leather Attic stores had been converted to an upgraded store design consistent with the more sophisticated Danier label and product line. The company’s retail operations are now carried on exclusively under the Danier trade name.

THE PRODUCT

Danier’s leadership in all aspects of leather and suede fashion along with the company’s unwavering commitment to its three hallmarks — quality, value and style — have won the brand a legion of loyal customers and have firmly established Danier’s dominance in the leather and suede clothing and accessories market.

The company’s merchandise is available exclusively at the company’s shopping

mall and streetfront stores and “power centre” locations across Canada.

Danier’s vertically integrated structure allows the company to respond quickly to fashion trends and leather market innovations. The Toronto-based design team searches the world for the most inspiring trends and skillfully interprets them into styles for leather and suede applications. Garments are



produced both at the company's Canadian manufacturing facility and overseas, using only the highest-quality skins sourced from Europe, Asia and New Zealand. The Danier design team is also dedicated to sourcing new techniques in leather tanning, with garments and accessories that showcase the latest developments in leather colour, finish and texture.

For Danier however, the product itself is only one half of the equation. As their extensive consumer research has shown, leather itself has a transformative effect on the wearer. Slipping on a leather jacket can empower an individual with a renewed sense of confidence and pride, and this empowerment can become a lifelong love affair with leather. Satisfying this emotional need is a key to Danier's continued brand loyalty with their customers, and in many ways explains why consumers often want to make leather a key component within their wardrobe.

With Danier's design team pushing the boundaries of product design and innovation, they have made leather an almost year-round wardrobing staple. With removable Thinsulate™ and shearling linings, winter coats can carry you from the early Fall through to the heavy Winter months. And conversely, super lightweight leathers and suedes make leather a fashion option for Spring and Summer. This all-season relevance has positioned Danier away from specialty goods, and as a fashion destination for customers year-round.

RECENT DEVELOPMENTS

In 2007, Danier placed renewed emphasis on the quality of their leather goods with the launch of "Italian Inspirations" — a marketing initiative that focused on the luxury, craftsmanship and design of their best leather jackets and accessories for men and women. The brand campaign was shot in Italy, and captured the essence of European style and sophistication and re-affirmed Danier as the retailer of choice for quality leather goods in Canada.



This same year, Danier partnered with 3M to increase consumer awareness of Thinsulate™ technology. This outerwear collection, which uses cutting-edge heat retention technology, marries product innovation with runway-ready looks. The result: highly fashionable outerwear that can handle the cold Canadian climate.

Danier is also increasingly dedicated to expanding into the ever-growing accessories market, with



a focus on handbag design. As accessories continue to dominate the fashion market, consumers will be looking to update their looks, with pieces that pack a lot of fashion punch without putting a dent in their pocketbook. The Danier design team's continued focus on leather innovation means great-looking handbags come in a myriad of colours and luxurious textures that rival their expensive counterparts. The ability to interpret catwalk trends and deliver them to the market at a great price means the retailer has become the fashion editors' pick for accessories ranging from handbags and wallets to gloves and scarves. Danier is poised to become the retailer of choice for beautiful design and quality in the mid-range accessory market.

PROMOTION

The Danier brand is best experienced at the retail level. The minute you walk into a store, the touch of leather surrounds you with a sense of luxury and richness. With fashion campaigns shot around the world, the imagery is unmistakable, and captures the aspirational lifestyle choice inherent in the brand. This experience continues in the brand advertising, the Danier website and in the email program which ensures that the brand is both top of mind with consumers and synonymous with style and sophistication.

It is no wonder Danier has formed such a devout group of leather enthusiasts. Danier's Prestige program launched in 2007, offering exclusive promotions and events to their best customers. And with CRM initiatives forming an integral part of the marketing mix, Danier continues to evolve its communication to ensure that its message is always relevant to the consumer. The fashion forward styles and great value have made Danier garments a darling of Canadian fashion magazines, and with its ever-growing ubiquity in the Canadian marketplace, it is no surprise that Danier has become a celebrity favourite, being spotted at award shows both here and south of the border.

BRAND VALUES

Danier's brand promise of timeless leather sophistication constitutes only one facet of a multi-dimensional brand. Danier firmly believes in the emotional empowerment and transformation that comes with wearing leather. This core value of empowerment is not only another cornerstone of the brand benefit to consumers but also a precept of how Danier operates as an organization. Danier employees are all encouraged to share ideas, question the status quo and constantly ask, "How can I do better?" To be passionate about their work, the product and the Danier customer is President and CEO Jeffrey Wortsman's recipe for a successful organization. Danier is also committed to making the world a better place and works extensively with several charitable outreach programs. As part of its mission, Danier has been a proud sponsor of Look Good Feel Better, a nonprofit organization dedicated to helping Canadian women living with cancer. Danier actively supports its goals through corporate donations, Spirit of Style makeovers and the Look Good Feel Better Annual Gala Ball. Danier also works extensively with Plan (formerly Foster Parents Plan) in sponsoring children and families around the world, as well as donating design and production services to the organization.

This philosophy of "giving back" is a core value of the Danier corporate brand and, not surprisingly, forms an integral part of the customer service philosophy. Listening to their customers not only means providing top-quality service, but also necessitates impacting design and purchasing trends to satisfy what customers are looking for every season. So whether it is in store, in a manufacturing facility, or at the corporate head office, the entire Danier team is truly dedicated and committed to satisfying the customers' needs.

THINGS YOU DIDN'T KNOW ABOUT DANIER

- Arnold Schwarzenegger, Maria Shriver, Renée Zellweger, Colin Farrell, Diana Krall, Heather Graham, Catherine Zeta-Jones, Michael Douglas, Marie Osmond, and Chantal Kreviazuk are just a few of the celebrities who have worn Danier leather.
- In 2007, over 8 million customers entered Danier's stores.
- Danier has researched over 600 tanneries around the world to find those companies that meet their stringent quality standards.
- Danier Leather proudly sponsors more than 157 children through the Foster Parents Plan.
- Danier combines the best of old and new technologies. All leather is cut by hand by highly skilled, experienced craftspeople. An average of 18 pattern-making operations and 74 distinct sewing operations go into a single Danier garment.