



ROYAL DOULTON

ENGLAND

THE MARKET

Pottery and ceramics are a strong indicator of the art and lifestyle of any given age. It's no wonder that archeologists rely on shards of pottery fragments to establish the level of sophistication of past civilizations. Today's consumers are more demanding and discriminating than ever before. The increasing trend to home entertaining has been matched by the introduction of contemporary tableware that combines fabulous style with easy-care function. And as modern life cuts into traditional family mealtime with a reliance on fast food and microwaved entrees, the industry has responded by extending informal tableware ranges designed for hectic days and nights.

Despite market fragmentation, ceramic giftware has enjoyed considerable growth. It exemplifies the best in home decoration and gift giving for consumers who value the qualities of heritage and craftsmanship. Ceramic giftware not only offers real, long-lasting value for the money — but can also be a long-term investment opportunity for collectors.

ACHIEVEMENTS

Royal Doulton is one of the world's largest manufacturers and distributors in the premium ceramic tableware and giftware market. Its illustrious



brand names include Minton, Royal Albert and its core Royal Doulton brand. With 200 years of heritage, Royal Doulton is a thriving global organization, with over \$200 million in worldwide annual sales. It employs approximately 2,800 people in its production sites, sales, marketing and distribution operations and retail shops around the world. In total, Royal Doulton offers a range of 6,000 different items across a broad range of product categories.

Approximately half of its sales are generated outside of the UK home market. The company's Hotel and Airlines division is also one of the world's foremost suppliers of bone china to the international airlines industry and hospitality sector. Royal Doulton Canada supplies custom-designed tableware to Air Canada for its first-class service. Royal Doulton Canada has a longstanding partnership with Four Seasons Hotel properties, and has been chosen by The Department of External Affairs to supply bone china tableware in its Canadian Embassies worldwide.

HISTORY

Royal Doulton has been producing ceramics and tableware for nearly 200 years. In 1815, the company founder, John Doulton, began making practical and decorative stoneware in Lambeth, today a suburb in the south of London, England. His son, Henry Doulton, built up the business, relocating it 60 years later to Stoke-on-Trent, the hub of the potteries industry in England. By 1901, Doulton's achievements had caught the

eye of King Edward VII, who permitted the company to add "Royal" to its name and the company was awarded the Royal Warrant. In 1887, Queen Victoria knighted Henry Doulton for his contributions to art and industry, making him the first English potter to receive this honour.

By the 1930s, the business expanded into the manufacture of tableware and figurines. The company opened its subsidiary office in Toronto in 1956. Today, Royal Doulton Canada is a leading member of the Canadian gift and tableware industry with 230 employees in its sales, marketing, distribution and retail operations. In 1966, Royal Doulton was awarded the Queen's Award for Technical Achievement, the first china manufacturer to be honoured with this award. In 1993, Royal Doulton became a publicly traded company listed on the London Stock Exchange. Today, Royal Doulton is part of the Waterford Wedgwood Group.



THE PRODUCT

Each of the company's principal brands — Royal Doulton, Minton and Royal Albert — enjoys a long association of royal patronage and holds at least one Royal Warrant. They are also trademark registered. There is an incredibly rich archive of designs from the long histories of each of the brands. The Royal Doulton Pattern Books, for example, include over 10,000 hand-painted watercolours illustrating the talent of artists employed over the years. It provides an invaluable historical record of



decorative ceramic styles — from the exquisitely gilded and delicately hand-painted tableware of the Victorian and Edwardian eras to the bright and bold angular design of the 1930s Art Deco. The collection is also an inspirational source for the company's current Design Studio. Ongoing research determines the colour and style trends that modern consumers will embrace — wherever they may be in the global community. Local market product development is a vital part of the company's design process.

The Royal Doulton brand provides a wide range of domestic tableware in bone china and fine china. Styles range from simple white casual designs to ornately decorated formal designs. The brand is also renowned for its collectible range of Pretty Lady figurines, character jugs and crystal stemware and giftware. For the younger generation, Royal Doulton also produces nursery ware and collectibles, and many of these ranges are also of interest to the adult collector. Its most popular collection is "Bunnykins," first launched in the 1930s and still the ceramic keepsake gift of choice for a new baby. More recent additions of licensed ranges such as Brambly Hedge and The Disney Collection including Winnie the Pooh have broadened the offering to include classic children's themes.

Royal Albert, which traces its origins back to 1896, has become an internationally recognized



brand, offering domestic tableware and gift accessories. Its leading design, Old Country Roses, is quintessentially English and perfectly expresses the brand positioning of "A Passion for Florals."

Equally famous, with an illustrious heritage dating back to 1793, is the Minton brand, best known for its most popular pattern, Haddon Hall, which is particularly loved by the Japanese market. Minton is also renowned for its intricate gold patterns featuring traditional labour-intensive techniques, where one plate can cost over \$1,000. The skilled artists in the Minton Studio also undertake special commissions.

In addition to company-owned brands, Royal Doulton Canada has special marketing relationships with such prestigious brands as Royal Crown Derby. Royal Doulton is noted for its high standard of working practices and technology throughout the international china industry. As a testament to its ongoing commitment to quality and improvement, Royal Doulton Canada has been ISO 9001 registered since 1997.

Royal Doulton Canada distributes its domestic products through leading department stores, national chains, independent Retail specialty stores and its own chain of 15 Royal Doulton corporate stores across Canada.

RECENT DEVELOPMENTS

Royal Doulton is undergoing an important period of change in its long history. A three-brand master strategy, in addition to New Retail Merchandising systems, an updated online selling Internet site, improved product packaging, point-of-sale and designer endorsement have all been identified as key to the branded development.

In 2004, a license agreement was set up with Zandra Rhodes, a UK fashion design icon, to act as a spokesperson for Royal Albert and to create a new range entitled "My Favourite Things." 2006 saw the introduction of an exciting new collaboration with renowned chef Gordon Ramsay with the launch of an outstanding new collection of tableware and glassware. The Gordon Ramsay collection of stainless steel cookware and oven to tableware was introduced in 2007. Other exciting product introductions for 2007 include Essentials, an affordable line of bone china, the Terence Conran collection featuring tableware, glassware and wood accessories created from American white oak. And last but not least Royal Doulton is teaming up with renowned designer Monique Lhuillier to design an exclusive collection of bone china tableware. The Licencing Division, created in the UK in the mid-1990s, has propelled the three brands into new product sectors such as textiles, children's clothing and giftware, silverware, fine art prints, teas, gift accessories and jewellery.

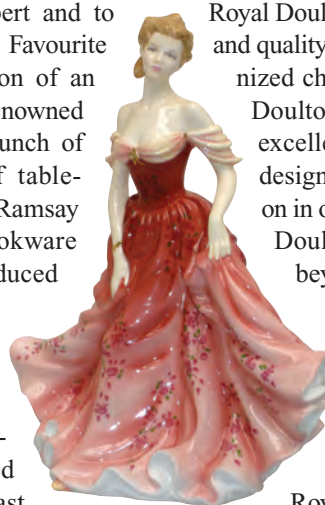
PROMOTION

Royal Doulton has high brand awareness and perception and a significant share of the Canadian tableware and giftware market. The company continues to employ a wide variety of traditional marketing and promotional activities ranging from in-store consumer promotions, consumer and trade show participation, special artist signing events and targeted consumer advertising in bridal and lifestyle magazines.

A significant focus of the public relations activity is dedicated to the corporate support of the fight against breast cancer. Through the sale of an annual Royal Doulton "Pretty Lady" figurine over the past number of years, Royal Doulton Canada has contributed over \$300,000 to the Canadian Cancer Society to help cancer research and support programs.

BRAND VALUES

Royal Doulton has continued to focus on what it does best — produce outstanding tableware and



giftware collections. With emphasis on excellent design coupled with attention to the practicalities of modern living, Royal Doulton products are stylish, functional and user-friendly. Around the globe, Royal Doulton is valued for its sense of heritage and quality. As one of the oldest and best recognized chinaware brands in the world, Royal Doulton has earned itself a reputation for excellence, quality and distinctiveness of design — values which it intends to build on in order to take the brand forward. Royal Doulton has an international reach far beyond its English roots and products.

To sustain its position, the emphasis for future brand growth centres on its ability to focus on the consumer, to understand its buyers and then to produce products that suit individual tastes and needs.

Royal Doulton identifies its core brand values as integrity, innovation, creativity, craftsmanship and decorative skills.

www.royaldoulton.com

THINGS YOU DIDN'T KNOW ABOUT ROYAL DOULTON

- The largest and most expensive figure made by Royal Doulton takes more than 160 hours to paint and costs in excess of \$40,000.
- Royal Doulton's plates were carried on the inaugural flight of the space shuttle *Columbia* in 1984 — the first china to enter space.
- Royal Doulton's Royal Albert design "Old Country Roses," a Royal Albert design, has become the world's best-selling bone china pattern, with more than 150 million pieces sold since its introduction in 1962.
- Royal Doulton terracotta tiles and ornamental architectural details have been used on the facades of many buildings around the world, including several buildings in Canada — among them the Hotel Vancouver and the Southam Building in Montreal, the Bloor-Gladstone Library in Toronto and St. John's Church in Saskatoon.