

THE SYNERGY WE CREATE, THE PERSPECTIVES WE SEE, THE GOALS WE HAVE: STRATEGY

With the acquisition of the Salamander Group on April 1, 2005, EganaGoldpfeil laid the foundation for one of the most synergetic and promising developments in the company's history. A well-established and beloved brand, a retail chain with 186 outlets in key markets as well as in emerging Eastern European countries, a wealth of know-how: Salamander simply made sense from day one.

The integration of Salamander into the EganaGoldpfeil Group was a major objective in the business year 2005/2006. This process went remarkably smooth and enabled the teams involved to achieve tremendous strategic advancements:

Turnover and profit expectations have been fully met or even exceeded, and 25 new stores were opened in this business year alone.

SALAMANDER^{®®}





Apart from major synergetic effects resulting from pooling development and manufacturing facilities in Asia and Europe as well as combining buying power, some of EganaGoldpfeil's most important brands benefited almost instantly from the preferential presence in a brand-owned retail environment. Goldpfeil, Joop!, and Comtesse are now available in 28 international Salamander stores specially equipped to carry those luxury labels, and Sioux was able to expand its distribution efficiently in key markets.

Salamander does not only offer retail opportunities but has potential as a brand of its own. A first collection of leather bags and accessories was successfully launched in the fall of 2005 and is available in all stores. A newly formed team responsible for collection development will build on this impressive start from September 2006 on. The establishment of Salamander as a "democratic" brand offering exceptional quality at mid-level prices will be one of the priorities for the new business year. An essential step in this multi-dimensional retail/brand strategy is the upgrade of the Salamander stores. The new concept incorporating state-of-the-art design for a more modern ambiance has been tested in four top locations and was very well received - it will now be implemented gradually throughout the chain. Advertising campaigns started in 2006 will continue to forcefully communicate the Salamander brand and retail unique selling propositions.







THE PATH TO SUCCESS, THE ROAD AHEAD, The extra mile: Uniqueness

Sioux is more than "just" a brand: its image has achieved an almost mythic quality over time. "The Moccasin Feeling" is not only a well-known claim, it is perceived by consumers as well as by the brand itself as a solemn promise only Sioux can keep.

For the 18th time in succession, Sioux provided German athletes with footwear. The Olympians were thus perfectly outfitted for the Winter Games from February 10 to 26, 2006. Both for official occasions and for leisure, the most successful team of the games was wearing this premium comfort footwear. The German Olympians will also trust the "Moccasin Feeling" at the Olympic Summer Games of Beijing in 2008.

Apart from the excitement for Olympic records, Sioux in the business year 2005/2006 once again walked through its agenda with strategic precision, passing milestones and achieving growth in an overall shrinking market. Seven new brand shops were opened internationally in addition to the distribution expansion enabled by the acquisition of the Salamander retail chain.

A broad business-to-business educational campaign was initiated, informing retailers about every aspect of the brand and specially focused on the quality and uniqueness of Sioux shoes. In September 2005, more than 10,000 instruction folders were distributed Europewide to all Sioux partners and the respective staffs. An extensive advertising campaign in preparation now for the fall of 2006 will communicate this unique status to consumers in key markets, ensuring that the newly motivated retail partners will have ample opportunity to apply their fundamental Sioux knowledge.





THE STAR TO FOLLOW, THE BRAND TO WATCH, THE ACCESSORIES TO OWN: QUALITY

Quality is factually a matter of process and materials, resulting from experience and knowledge – but quality is also about emotional depth, satisfaction, and dedication. The Mercedes-Benz Collection by Goldpfeil, successfully launched in early 2004, brought together two brands that embody the best of German values. The new addition to the upscale market segment of exclusive leather goods was received enthusiastically and in the business year 2005/2006 continued a careful expansion, crossing over from its natural habitat of Mercedes-Benz showrooms to selected specialist retailers.

The collection – including men's briefcases, women's handbags and travel luggage as well as unisex accessories such as belts and wallets – is now distributed worldwide and – with its perfect harmony of elegance and functionality – is being perceived as a modern classic in many markets.



Mercedes-Benz

